

Israel Attacks Village, Kills 24 Guerrillas

Reuters

TEL AVIV — The Israeli Army said Monday that it killed 24 guerrillas and fought a gunbattle with Lebanese soldiers during an attack on a Shiite village in southern Lebanon.

The raid came as Israeli leaders vowed to strike back strongly after a suicide car bomb attack that killed 12 Israeli soldiers and wounded 14 near the Lebanon-Israel border Sunday.

A military spokesman said 10 Lebanese Army soldiers were detained during Monday's operation that began when Israeli troops moved into the village of Zaraiyah, about a half mile (one kilometer) beyond their front line in territory nominally controlled by the Lebanese Army.

The Lebanese Army was warned not to interfere, but it opened fire on the advancing Israelis, the

spokesman said. He added, "It was only then we fired back."

The guerrilla death toll was the highest since Israel began its "iron fist" policy against Shiite villages around Tyre last month in an attempt to curb attacks on its troops.

Lebanese military sources in Sidon said heavy fighting erupted at dawn when Israeli infantry advanced on Zaraiyah and Arzay. Israeli tanks shelled the villages and Lebanese Army positions nearby, wounding 12 villagers, the sources said.

Lebanese troops returned fire but officers in Sidon, sending reinforcements, lost contact with Zaraiyah soon afterward, the sources said.

They said that helicopters landed Israeli troops at the villages at dawn. Villagers helped the Lebanese Army fight the Israelis, Beirut

radio quoted army sources as saying.

Witnesses later said that Israeli troops were sealing the approach roads to the two villages.

Israeli leaders rejected calls for a quick withdrawal from Lebanon after the car bombing. Leftist and centrist parties presented parliamentary motions urging an immediate pullback, and black-bordered newspapers published editorials urging Israel to get out of Lebanon.

Defense Minister Yitzhak Rabin responded by pledging that the army would toughen its anti-Shiite campaign and continue its planned phased withdrawal, expected to be completed by autumn.

"Shiite terrorism is the only one in the world which has a stockpile of maniacs ready to commit suicide," he said.

Prime Minister Shimon Peres said that terrorism would not be

allowed to dictate security policy.

The Israeli Army said that Monday's attack was based on intelligence that local Shiites were planning "to strike at our forces."

"During the raid, 24 terrorists were killed, many suspects were arrested and troops uncovered a vast quantity of weapons," the military spokesman said.

It was the second time in four days that Israeli and Lebanese Army units have clashed. The army said the 10 Lebanese soldiers had been detained rather than captured, apparently indicating that they would be released.

Shiite Moslem guerrillas fighting Israel's occupation also kept up attacks with two roadside bombs near Tyre. The bombs exploded as Israeli patrols passed. There were no immediate reports of casualties, Lebanese security sources said.

Nightlong gunbattles raged around Tyre, the scene of daily arrests by patrols of Israelis and their militia allies.

The sources said that Israeli helicopters machine-gunned civilians crossing the Israeli front line along sideroads, wounding two, and tanks shelled Lebanon Army-held territory further north near Zaraiyah.

At the village of Yatar, southeast of Tyre, Irish members of the UN peacekeeping force were caught in crossfire during a clash Sunday night between pro-Israeli militiamen and Lebanese guerrillas, a spokesman for the UN's Interim Force in Lebanon said.

The spokesman, Timor Goksel, said there were no casualties but that the UN unit would ask the Israeli Army to prevent a recurrence.

The Israeli Army announced that it was increasing security in the predominantly Christian area where Sunday's car bomb exploded. Vehicles must now carry at least two persons, as in the Tyre region, to reduce the risk of car bombings.



A Cambodian guerrilla with a foot injury receives treatment from the Red Cross at a field hospital in Thailand.

WORLD BRIEFS

7 Bombs Explode in Portuguese Cities

LISBON (AP) — Seven bomb blasts rocked French, West German and British businesses and homes in Lisbon and the central city of Evora on Monday, causing extensive damage but no injuries, Portugal's public security police said.

The extreme leftist group, the Popular Forces of April 25, said in a telephone call to a Lisbon radio station that it was responsible for the bombs. A caller told the state-run press agency ANOP that the bombings had been carried out "against private interests and in defense of nationalizations." The government of Prime Minister Mario Soares announced plans last week to permit private investment in nationalized companies.

Three of the bombs went off at five-minute intervals, starting at 1:30 A.M. in Evora, 96 miles (155 kilometers) east of Lisbon. The other four bombs went off a short time later in Lisbon, the capital.

4 Men Held in Dortmund Bombing

KARLSRUHE, West Germany (UPI) — Four men arrested on suspicion of planting explosives that injured eight persons in Dortmund department store, two seriously, may have been on a bombing "joyride," an official said Monday.

Hans-Georg Fuchs, spokesman for the Federal Prosecutor's Office in Karlsruhe, gave few details of the four arrests but said that the motive behind the bombing Thursday of the Herde department store in Dortmund was not apparently political. "They had some insane motive; perhaps it was a bombing joyride," Mr. Fuchs said.

Police sources said the four were between the ages of 18 and 20 but did not elaborate on when and where they were picked up. After the bombing a man called a local newspaper office to say that an extreme leftist group carried out the attack. But a spokesman for the Interior Ministry said Monday that despite the "phone call, police investigations now suggested the bombers were not part of any recognized terrorist group, left or right."

Nimeiri Dismisses 11 Fundamentalists

KHARTOUM, Sudan (Reuters) — President Gaafar Nimeiri of Sudan has dismissed 11 members of the Moslem Brotherhood from his government, accusing the fundamentalist movement of plotting to overthrow him.

In a radio broadcast Sunday, General Nimeiri announced that he had removed Hassan Abdalla al-Turabi, a leader of the Moslem Brotherhood, from his posts as foreign affairs adviser and member of the central committee of the governing Sudanese Socialist Union.

General Nimeiri also dismissed three prominent judges. One of them is al-Mikashfi Taha al-Kabasty, former chairman of the Court of Appeals and the man who confirmed the sentence last month on a 76-year-old Sudanese dissident who was hanged for heresy. In addition, Mr. Nimeiri dismissed the less

Bush Urges Coordination on Food Aid

GENEVA (AP) — Vice President George Bush, saying that ideology and vague pledges will not feed starving people in Africa, appealed Monday to delegates at a UN conference for better coordination of shipments of food aid to sub-Saharan Africa.

Mr. Bush addressed the conference on Africa a day after he arrived from a weekend trip in which he met with officials in Sudan, Niger and Mali and visited camps for drought victims in Sudan. The delegates are to discuss a report that says that 21 African countries will need more than \$1.5 billion in aid this year.

Mr. Bush said that a greater tragedy can be avoided "if we put aside ideology, open our hearts, strengthen vital institutions of cooperation, get to the root of Africa's crisis, and have the courage and perseverance to see the problem through." He added, "Just as threatened populations cannot eat ideology, they also cannot eat vague pledges."

Mubarak Asks Weinberger for Aid

WASHINGTON (UPI) — President Hosni Mubarak of Egypt asked Defense Secretary Casper W. Weinberger on Monday for more U.S. aid, but a U.S. official said that the administration must consider the federal budget deficit in reviewing the request.

Sources also held out little hope of success for Mr. Mubarak's other goal, to persuade the United States to approve his plan for new Middle East peace talks. This plan calls for the United States to meet with a Jordanian-Palestinian delegation to prepare for direct Israeli-Jordanian-Palestinian contacts.

Mr. Weinberger declined to detail the hour-long talks, except to say: "I think we had a very good meeting." Another U.S. official who had attended the meeting said no agreements had been reached. Before the meeting, Egyptian and U.S. officials said that Mr. Mubarak would seek \$870 million in extra aid this year. Egypt is receiving about \$1 billion in economic aid and \$1.2 billion in military aid for fiscal 1985.

Vietnam Takes Last Base Of Cambodian Guerrillas

By William Branigin
Washington Post Service

BANGKOK — The last Cambodian guerrilla base along the Thai-Cambodian border fell to Vietnamese forces Monday, according to Thai military sources and Western diplomats.

Fierce shelling and ground assaults on the Green Hill base forced most of the guerrillas loyal to Prince Norodom Sihanouk to withdraw across the northern Cambodian border into Thailand near the village of Tatum, the sources said.

Thai forces continued to battle Vietnamese troops who crossed into Thailand last week in an effort to surround the resistance base, the sources said.

They said F-5 aircraft of the Thai Air Force carried out air strikes early Monday in support of ground troops fighting to dislodge more than 1,000 Vietnamese from two hills about one and a half miles (2.4 kilometers) inside Thailand. The two sides also traded artillery fire across the border.

The fighting coincided with the arrival Monday in Bangkok of President Li Xianian of China. The Thai authorities hope Mr. Li's five-day state visit as a guest of King Bhumibol Adulyadej will demonstrate Chinese support for Thailand in its conflict with Vietnamese forces occupying Cambodia.

China backs the Cambodian resistance groups battling the six-year Vietnamese occupation of their country. Beijing has repeatedly warned Hanoi that its dry-season offensive along the Thai-Cambodian border might provoke a "second lesson" reminiscent of the brief Chinese invasion of northern Vietnam in 1979.

The Vietnamese offensive appeared to overcome its final obstacle Monday to wiping out a guerrilla "liberated zone" on the Thai-Cambodian border after a weeklong siege at the Green Hill base.

Spokesmen for Prince Sihanouk said neither confirm nor deny the pullout. They said only that the pro-Sihanouk guerrillas at Green Hill have "changed tactics." They indicated that some fighting was still going on in the area and that they had killed more than 1,000 Vietnamese and lost only 20 to 30 guerrillas.

Since the Vietnamese began their dry-season offensive in November, they have systematically wiped out all the bases of three Cambodian resistance groups along the 450-mile border with Thailand. This has forced about 250,000 Cambodian civilians to flee to evacuation sites on Thai territory.

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2 Senators Say Taxes Are Inevitable if Deficit Grows

By Bob Seger
Los Angeles Times Service

WASHINGTON — The ranking Republican and Democrat on the Senate Budget Committee have agreed panel members that if they continue to resist significant cuts in federal spending, tax increases may be the only solution to reducing the U.S. deficit.

Pete V. Domenici, Republican of New Mexico and chairman of the committee, said Sunday on television: "We're moving rather quickly to see it toward taxes."

Although he vowed to oppose any tax increase in the fiscal 1986 budget, Mr. Domenici said that if committee members continued to reject domestic budget cuts, "they're going to have to put taxes" in the budget resolution to significantly cut deficits.

Mr. Domenici hopes to reduce next year's projected deficit of \$220 billion by \$60 billion, but aides have calculated that the spending approved so far amounts to less than a third of the \$60 billion.

In four days of hearings last week, the committee repeatedly voted down administration-asked proposals to end subsidies for student lunches; mass transit systems and Amtrak, the national passenger rail system. It refused to trim spending on student loan programs; the Medicare health insurance for the elderly and the disabled; and the state-federal Medicaid program of health care for the poor. It also failed to reach a consensus on whether to freeze Social Security benefits to retired and disabled people.

The hearings resumed Tuesday with the committee taking up Mr. Domenici's plan to eliminate the general revenue sharing program, a



Pete V. Domenici

move strongly opposed by state and local officials of both parties.

Mr. Domenici suggested that the budget fight was still in its "early innings."

"From what I can tell," he said, "there will be a dose of reality when we're finished with this first round" of hearings.

But Senator Lawton Chiles of Florida, the ranking Democrat on the committee, said on the same program that he believed that enough committee members would support cuts in both domestic and military spending to reach the committee's goal of cutting federal spending by \$150 billion over the next three years. "So, if you want to get to this goal," he said, "there would probably have to be new revenues."

Both Mr. Chiles and Senator Gary Hart of Colorado, another Democrat on the budget panel, said that President Ronald Reagan's refusal to compromise on the military budget was the major obstacle to overall budget reduction.

Mr. Hart, who appeared on another program, criticized Mr. Reagan for staying aloof, contending he "could have 10 Democrats and 10 Republicans at the White House and in four hours we could have a budget that everyone agreed on."

Salvadoran Rebels Revive Urban War

Analysts Say Guerrillas Were Ineffective in Countryside

The Associated Press

SAN SALVADOR — El Salvador's leftist guerrillas are bringing war back from the countryside to the city where it began five years ago, according to Salvadoran and U.S. officials.

President José Napoleón Duarte alls the shift in tactics by the guerrillas as "an urban campaign of destabilization."

One reason for their move, military analysts say, is that in more than a year the guerrillas have not scored any major successes in the

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countryside against the army and the air force.

The assassination at a San Salvador tennis club last Thursday of Lieutenant Colonel Ricardo Cienfuegos — one of the highest-ranking officers killed by guerrillas — was the latest indication that urban conflict is on the rise.

Sabotage and other killings attributed to the left have increased in San Salvador in the past few months.

A Roman Catholic human rights and legal group that is associated with the office of the archbishop of San Salvador has estimated that in one week recently, more politically motivated murders of civilians were attributable to the left than to rightist death squads. The death squads and rightist paramilitary organizations have been held responsible for most of the 53,000 civilians killed during the war.

Urban terrorism dropped sharply after the failure of the rebels' "final offensive" in January 1981.

Life in San Salvador — which had been marked by a dusk-to-dawn curfew imposed to crack down on the kidnappings, bombings and sabotage — gradually returned to near-normal.

The curfew was lifted. New restaurants and clubs opened, and movie theaters once again offered late-night screenings.

Even so, bodyguards remain on duty for the wealthy, for government officials and for diplomats.

Asked about the increase of guerrilla activity in the cities, Mr. Duarte said: "It is difficult to control urbanization in the city, and the left has unleashed an urban campaign of destabilization."

Gen. Paul F. Gorman, recently retired as the head of the U.S. Southern Command, in Panama, last month in Washington last month that an estimated 500 guerrillas were in the capital in contrast to 50 a year ago.

In Washington, a State Department specialist said it was "indisputable" that the war was returning to urban areas but labeled the estimate of 500 rebels in the capital as "guesswork."

A tiny, maverick urban guerrilla force, the Clara Elizabeth Ramírez Metropolitan Front, has been active in San Salvador for some time.

However, the Farabundo Martí National Liberation Front, the umbrella group for the five mainstream guerrilla armies, denies any connection with it. The Metropolitan Front has claimed responsibility for most of the leftist killings in the capital — including the Cienfuegos assassination.

But in recent weeks the mainstream rebels have claimed responsibility for several of the other killings.

A military observer, who spoke on the condition he not be identified, said the Salvadoran Army started training some troops in urban anti-guerrilla tactics about two months ago.

He said the guerrillas would not find "the fertile ground here that they did in 1980."

In 1979, the leftists were basically a street movement involved in protest marches and kidnappings. Government troops frequently fired point-blank into the demonstrators.

Government forces now are relying more on small-unit tactics, constant patrols and increased air power to keep the rebels in the countryside from massing for any spectacular attacks.

In addition to being conservative on domestic matters, Mr. Jenner consistently opposed U.S. foreign aid and any involvement in military alliances.

In 1957, he announced that he would not seek re-election in 1958. After leaving politics, he divided his time between law and business.

Mr. Jenner was born in Marion, Indiana. He attended Indiana University and later earned a law degree from Indiana University Law School.

Elected to the state senate for the first of two terms in 1934, he served as minority leader and later as majority leader. During World War II, he was an officer in the Army Air Corps.

Conference on Seabed Starts

Kingston, Jamaica — Representatives of 138 countries and delegations from several international organizations began a monthlong meeting Monday in this Caribbean capital to discuss a treaty to govern the future exploitation of the international seabed.

Papandreu Move Seen as Pitch to the Left

By Henry Kamm
New York Times Service

ATHENS — Prime Minister Andreas Papandreu's astonishing reversal in barring the re-election of President Constantine Caramanlis has led to the removal from a position of power of the man whom Greece's U.S. and West European allies considered the principal restraining influence on the Socialist prime minister's anti-Western policies.

The Socialist Party made a last-minute decision Saturday to nominate its own candidate rather than support the conservative president, as Mr. Papandreu had earlier said he would. The decision is regarded as an indication that the prime minister will lead his party into

NEWS ANALYSIS

national elections later this year in a campaign pitched to appeal to the Marxist wing of his party and the two Communist parties, the Communist Party of Greece and the smaller Greek Communist Party.

The expectation is that leftist polemics will be high in the campaign and that the United States will be the principal whipping boy. The Communist Party of Greece, which is represented in Parliament, is fiercely loyal to the Soviet Union.

But Mr. Papandreu is known not only for electoral shrewdness and rhetorical volatility but also for pragmatism in action. That is not a foregone conclusion that if his shift of tactics succeeds and he is re-elected he will necessarily move Greece further from its Western allies or closer to the Communist camp.

Until the Socialist Central Committee and the party's parliamentary caucus voted unanimously to withhold support from Mr. Caramanlis when Parliament convenes in special session to choose a presidential successor to the president, which must be held by October, were expected to be a battle mainly for the uncommitted center, with the Communists left on the sidelines angry at both major parties.

Mr. Papandreu's expressions of support for Mr. Caramanlis, as well as a new election law adopted earlier this year, gave substance to these expectations. The new law modified the system of proportional representation to favor the two major parties and reduce even further parties with lower national ballot totals. It was hailed by the Socialists, who drafted it, and the New Democracy Party, but bitterly denounced by the Communists.

The Socialists hold 165 seats in the present assembly, New Democracy 112 and the Communists 12.

The remaining 11 deputies are independents, three of whom usually vote with Mr. Papandreu. This would seem to assure election to

the presidency of the surprise Socialist candidate, Supreme Court Justice Christos Saratzakis, who is 56.

In the first two ballots for the presidency, a two-thirds vote is required.

But in recent weeks the mainstream rebels have claimed responsibility for several of the other killings.

Guerrillas ambushed a truck carrying national police Feb. 20 on the western side of San Salvador. Two police agents were killed and 10 were wounded.

A military observer, who spoke on the condition he not be identified, said the Salvadoran Army started training some troops in urban anti-guerrilla tactics about two months ago.

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Andreas Papandreu at a meeting of the Greek Socialist Party's Central Committee.

political moderates, reassuring them by the continued presence as head of state of Mr. Caramanlis.

The session had been scheduled for Friday, but was postponed until Sunday.

The Greek political spectrum is sharply polarized between the Socialists, who stand to the left of most European Socialist parties, and the New Democracy Party, which was founded by Mr. Caramanlis and is staunchly conservative.

As a consequence, the parliamentary elections, which must be held by October, were expected to be a battle mainly for the uncommitted center, with the Communists left on the sidelines angry at both major parties.

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Ex-Senator W.E. Jenner Dies

New York Times Service

NEW YORK — William E. Jen-

ner, 76, a former Republican sena-

tor from Indiana, who became

chairman of the

WEAPONS IN SPACE / The 'Star Wars' Controversy

Proposed Space Defense Has Offensive Capability

By Philip M. Boffey
New York Times Service

WASHINGTON — President Ronald Reagan's proposed defensive shield against ballistic missile attack could readily be used for devastating offensive warfare, according to both supporters and critics of Mr. Reagan's visionary program.

The president's Strategic Defense Initiative, known popularly as "star wars," would not use weapons of mass destruction, like the current nuclear arsenals, that could obliterate tens of millions of people, experts agree.

But — if it is actually built and deployed at full strength — the supposedly defensive system could serve several major offensive functions, according to a range of experts.

• It could be used as a defensive adjunct to an offensive nuclear attack, allowing nuclear-armed missiles to be launched in an offensive strike while the defense is held in reserve to cope with any retaliatory strike.

• It could attack and destroy enemy space satellites, which are generally far easier targets than the ballistic missiles the system would be designed to intercept and which have become an increasingly important part of the military systems of the United States and the Soviet Union.

• It could unleash lightning-fast offensive strikes from space against relatively "soft" ground targets, such as planes, oil tankers, power plants and grain fields, causing instantaneous fires and damage that could, in the words of one proponent of the system, "take an industrialized country back to an 18th-century level in 30 minutes."

• There is even a degree of concern among some military experts that the system might ultimately prove able to destroy the concrete and steel silos that protect missiles underground, thus providing a first-strike weapon that could disable an opponent's missiles before they could be fired.

These offensive uses would not be unique to the kind of weapons that will be explored under the Strategic Defense Initiative. If the Soviet Union should deploy a similar defensive shield, it too would almost certainly have the same offensive uses.

The potential offensive uses of a reportedly defensive system have so far received only passing attention in the debate over Mr. Reagan's proposal. But the ambiguity between defensive and offensive weapons is beginning to cause concern among some of the scientists who are strong proponents of a better defense, as well as those who oppose the general thrust of the Strategic Defense Initiative.

"I've been thoroughly aware of the problem for years," said John D.G. Rather, vice president of the Kaman Aerospace Corp., a space-laser expert who has often testified in Congress in favor of a defensive system.

"Anything that involves large amounts of energy can be used for good or evil purposes," Mr. Rather said. "A system of space battle stations designed to stop a nuclear attack also may have the potential to attack selected targets in space, in the atmosphere or down on the surface of the Earth."

He said the possible misuse of a defensive system for war-making purposes is "something that has to be thoroughly studied and dealt with" before such a shield is deployed.

But Edward Teller, a nuclear physicist with close ties to the Reagan administration, said the Strategic Defense Initiative was "unequivocally defensive and not offensive."

Mr. Teller said he hoped that new weapons could be designed to be strong enough to "destroy the vulnerability, the structure of a missile in the boost phase." But he said such weapons would almost certainly be "completely helpless against silos" and would probably have great difficulty finding and tracking ground targets, which could be more readily destroyed by existing weapons.

To use this expensive system to accomplish something as pedestrian as that, something that could be accomplished much more easily by methods already available, what kind of sense is that?" Mr. Teller asked.

At this point, of course, no one knows whether an effective defense could be built or what it would look like. The Strategic Defense Initiative is a research program designed to investigate a range of possibilities for disabling Soviet missiles that are launched against the United States. The study will investigate weapons such as high-speed projectiles and futuristic laser beams or particle beams that might be directed at Soviet missiles and warheads at all points along their flight paths, from the boost phase through the release of the warheads to the terminal phase, where the warheads plunge back into the atmosphere toward their targets.

The new defensive weapons might be based in space on hundreds of special platforms, or popped up into space at the first sign of attack, or based on the ground to fire upward. Depending on which weapons are ultimately selected and where they are based, the system would possess a range of potential offensive uses.

The most obvious offensive use, recognized by both proponents and critics of the system, would be as a defensive adjunct to a nuclear attack. Some arms-control specialists fear that a nation that possessed a defensive shield, however imperfect, might be tempted to launch a first strike against its enemy, secure in the knowledge that the shield could knock down a rigged and uncoordinated retaliatory strike.

American officials stress that the United States, even with a defensive shield in place, has no intention of launching an unprovoked attack upon the Soviet Union. But Mr. Reagan himself acknowledged, in his speech on March 23, 1983, announcing the program, that defensive systems could raise fears of an attack. "If paired with offensive systems," he said, "they can be viewed as fostering an aggressive policy, and no one wants that."

Beyond acting as an adjunct to an offensive attack, virtually any system that could be used to shoot down ballistic missiles in flight could also be used, probably more effectively, to shoot down enemy satellites in space.

"Whatever weapons are useful in an anti-ballistic missile role are even more useful in an anti-satellite role," said Wolfgang K.H. Panofsky, director of the Stanford Linear Accelerator Center at Stanford University in California, who is an expert on beam weapons and a critic of the president's program.

A workshop of experts brought together by the Congressional Office of Technology Assessment concluded last year that any effective defense against ballistic missiles "is an even more effective anti-satellite weapon" because "satellites are much easier to destroy" than missile warheads.

Satellites are more fragile than missile warheads, far fewer in number and situated above the distorting and blunting effects of the atmosphere. These atmospheric effects make it difficult to hit missiles in the initial stages of their flights. Satellites also follow predictable orbits for months or years and can thus be targeted at leisure, whereas ballistic missiles would probably be launched without warning and would have to be destroyed in minutes.

Although there is little dispute among experts that a

defensive system has offensive capabilities against targets in space, there is considerable disagreement whether the system would make a feasible and likely weapon against targets on the ground or in the lower atmosphere.

Attacking such targets would not be easy. Many of the technologies under investigation for ballistic missile defense have limited abilities to penetrate the atmosphere. Particle beam weapons, for example, dissipate when they collide with other particles in the atmosphere. The X-ray beams emitted by one class of laser weapons are unable to reach very far toward Earth. And many of the high-speed projectiles that might be used to destroy missiles by the impact of collision would probably burn up in the atmosphere long before reaching the ground.

But the proposed defensive system, if it works well, will have to have some weapons able to hit ballistic missiles shortly after launch, when they are still in the atmosphere. U.S. military officials are also hoping to find weapons that can disable low-flying cruise missiles and bombers. Nobody knows if they will be successful. But if they do that, many experts say, it should not be much more difficult to increase the range slightly and shift the aim to hit ground targets.

In principle, at least two of the weapons systems under investigation should ultimately be able to reach the ground from outer space. High-speed projectiles, if made large enough and durable enough, could presumably be sent to collide with surface targets, smashing them by the force of impact.

And optical lasers, which focus narrow beams of intense hot light on their targets, should be able ultimately to burn targets on the ground. The so-called excimer laser, for example, will almost certainly be able to transit the atmosphere. Under one proposed basing plan, the laser would sit on the ground and fire its beam through the atmosphere to mirrors based in space, which would redirect the beam back down toward ballistic missiles taking off.

In a recent interview, Mr. Rather, a proponent of a space-based defense, said any defensive laser system hot enough and fast enough to destroy 1,400 ballistic missiles in a few minutes as they are boosted from the Earth could almost certainly be designed to "burn down through the atmosphere and easily kill an airplane or cruise missile or surface target because these are essentially sitting ducks." It was Mr. Rather who said such an attack could reduce an industrialized country "to an 18th-century level in 30 minutes."

But such feats would have to be carried out in good weather. Clouds block the laser light from reaching the Earth. And finding targets that move, like planes and cruise missiles, could be extremely difficult, especially if the new "stealth" technologies are used to hide the target from radar and other sensors.

The most devastating offensive use of space weapons would be for a first strike against "hardened" military targets, particularly the concrete-and-steel silos that house missiles on the ground. Most experts believe that this task would be formidable, difficult, even impossible. The silos of both superpowers are built to withstand the enormous pressure and heat of a nuclear hydrogen bomb explosion.

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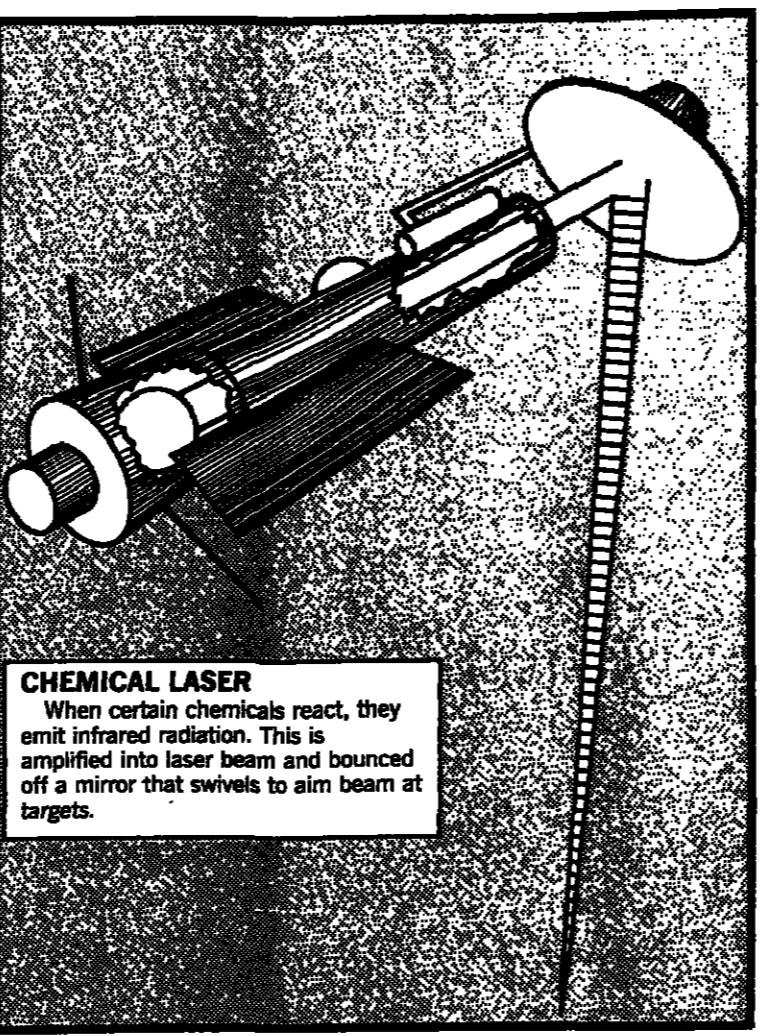
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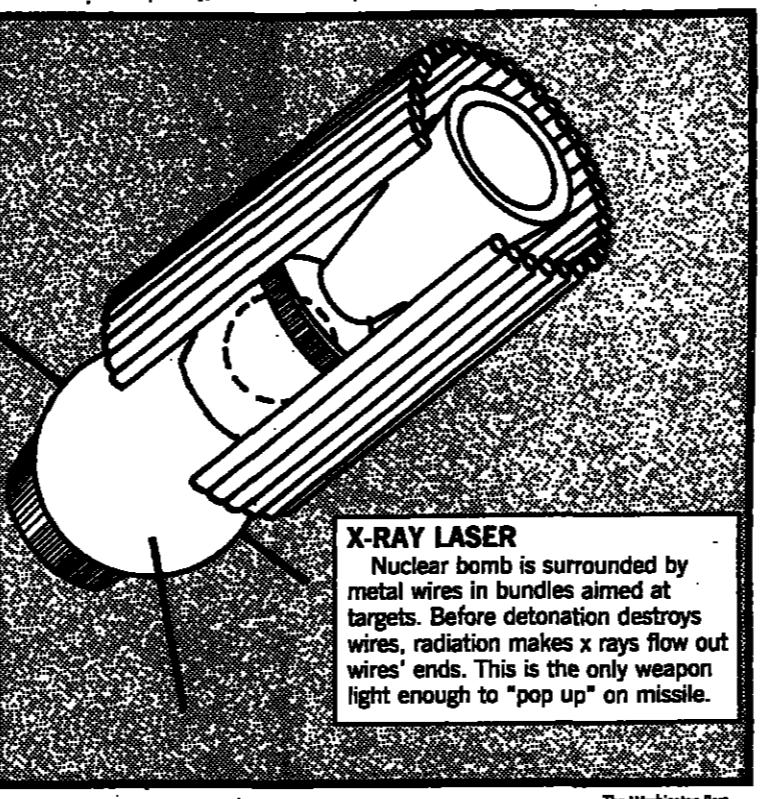
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CHEMICAL LASER

When certain chemicals react, they emit infrared radiation. This is amplified into laser beam and bounced off a mirror that swivels to aim beam at targets.



X-RAY LASER

Nuclear bomb is surrounded by metal wires in bundles aimed at targets. Before detonation destroys wires, radiation makes X-rays flow out wires' ends. This is the only weapon light enough to "pop up" on missile.

The chemical laser, above, is considered the type of space-based weapon most suitable for eventual use against targets on the ground. X-ray lasers, below, are unable to reach very far toward Earth.



Edward Teller
Hans A. Bethe

(Continued from Page 1) ing debate there, but it's hard to see how the issue will get joined in a legislative context," said Representative Les Aspin, Democrat of Wisconsin, who is the new chairman of the House Armed Services Committee. "As long as the program is only research, there is no legislative issue on which the opponents and proponents can line up on opposite sides. Even the most vociferous opponents say we ought to do research."

The only issue this year, Mr. Aspin added, will be how much additional money to provide for research.

Yet the national debate over "star wars" goes on, as more and more fundamental questions are raised about it. The following are chief among them:

- Is this really only a research program, or a virtual commitment to deploy a defense once it becomes technically feasible?

- Is the president's goal of rendering nuclear weapons obsolete in fact a desirable objective, or do nuclear weapons play an essential role in preventing war between the superpowers?

- Is the goal realistically attainable?

- Is a lesser goal, say a partial defense that would protect missiles and bombers but not the public, desirable in its own right, even though it would protect and enhance nuclear weapons, which is exactly counter to the president's stated goal of making such weapons obsolete?

- How would a future president manage the precarious business of actually deploying a defense system?

- Are there any better alternatives?

Critics fear that the program will steamroll, with support from an ever-larger array of military contractors, lobbyists, technologists and congressmen, to the point where it cannot be stopped.

effective defense for the entire population may become feasible.

After interviewing key figures in the debate, John Maddox, the editor of Nature, the British science journal, concluded that "the most common complaints against SDI, that it cannot work, seem to outsiders to be belied by the numbers of intelligent people who are passionately persuaded otherwise."

Although the administration now downplays the role of nuclear weapons in a "star wars" defense, the plan's central vision still strikes a resonant chord among many citizens, who live in dread that someday the thousands of existing nuclear warheads will be fired. Even leading critics of the president's proposed system say that if they really thought it would work, they would be all for it.

Still, there is at least one precedent demonstrating that reversal is possible. In the early 1970s, the United States started deploying an anti-missile defense system at roughly its current level, with a small increase to cover inflation.

Critics say that the program will now steamroll, with support from an ever-larger array of military contractors, lobbyists, technologists and congressmen, to the point where it cannot be stopped.

Some arms control experts say that the fear of nuclear weapons has preserved the peace between the two superpowers for the last four decades. And, while these experts say they are eager to see the overwhelming size of world nuclear arsenals reduced to protect the world from complete destruction in a nuclear holocaust, they are reluctant to give up nuclear weapons entirely unless some better guarantor of the peace is at hand.

The most thoroughly debated question is the one that cannot be answered yet, the question that the space-defense research program will explore: Is a defense that would protect the nation from ballistic missile attack both technologically and economically feasible?

Ten to 15 years ago, the nation confronted that issue and concluded that the job could not be done. But since then, many experts agree, there have been great strides in the technologies needed to build such a system, and the answer is a little less clear.

The administration has assembled an impressive array of technical experts who say that it is at least possible, if vigorous research is pursued for the next two decades, that an

U.S., Soviet Union to Start Arms Talks on Schedule Despite Chernenko Death

The Associated Press

GENEVA — The United States and the Soviet Union decided Monday to open talks Tuesday on nuclear weapons as planned, despite the death of the Soviet leader, Konstantin U. Chernenko.

The decision was made at a one-hour meeting between Warren Zimmerman, a deputy to the chief U.S. negotiator Max M. Kampelman, and Vladimir Alexeev, a member of the Soviet delegation, a U.S. spokesman said.

The executive secretaries of the U.S. and Soviet delegations have agreed that the heads of the delegations will meet at 11 A.M. at the Soviet mission,

the spokesman, Joseph Lehman, said.

The meeting was designed to set a schedule for the next few weeks. It was not immediately clear when the two sides would begin to discuss the substantive issues.

Soviet journalists said it was unlikely that the chief Soviet delegate, Viktor P. Karpov, and the two other Soviet negotiators, Yuli A. Kvitsinsky and Alexei A. Obukhov, would go to Moscow for Mr. Chernenko's funeral on Wednesday.

But that does not rule out a pause here for a few days.

[Western officials told Reuters that the decision to open the talks on schedule was encouraging. They said it showed the Soviet government wanted to demonstrate a continuing line in foreign policy, despite the leadership change.]

[It also appeared to underline the urgency that the Soviet Union attached to the talks on space arms, long-range nuclear weapons, and European-based missiles, the officials said.]

The talks will open with the two sides far apart on the issues even though their stated goals are nearly identical.

Both sides have said they want to prevent an arms race in space and end it on Earth, but they differ on how to achieve their goals.

The United States wants to resume the quest for deep cuts in offensive weapons, which was suspended when talks broke down 15 months ago. The Soviet Union wants to stop President Ronald Reagan's space-based missile defense program, arguing that it will lead to a dangerous militarization of outer space.

When he arrived in Geneva on Saturday, Mr. Kampelman pledged his efforts toward the "taming and then the elimination of nuclear weapons."

Mr. Karpov, when he arrived Sunday, said that the Soviet Union also hopes to attain the "true historic goal" of eliminating nuclear weapons. He said neither side should have "unilateral advantage" over the other.

The talks are likely to be long and difficult, complicated by the sharp dispute over the Strategic Defense Initiative, the official name for the space-based defense system.

Mr. Kampelman said his negotiating strategy could be summarized in "one important word — patience."

The main European allies of the United States, while concerned about the possible militarization of space, have reluctantly supported Mr. Reagan's plan for a research program, which might take 10 to 15 years. But Britain,

West Germany and Italy have said that a deployment of space-weapons technology must be negotiated with the Soviet Union.

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Chernenko, the 'Gray Man of the Old Guard,' Was the Ultimate Party Bureaucrat

Los Angeles Times Service

MOSCOW — Konstantin U. Chernenko, the sixth leader of the Soviet Union, was a compromise choice to preside over the Kremlin at a time of worsening Soviet-American relations.

A protege of the former Soviet president, Leonid I. Brezhnev, Mr. Chernenko had no political base of his own and apparently ruled in collaboration with other powerful Politburo members.

In some ways, he was the ultimate Communist Party bureaucrat, *apparatchik*, who believed that swerving loyalty was the most important virtue.

A U.S. diplomat described him as a "gray man of the old guard," but Soviet propagandists represented the glorious traditions of the older generation. For Mr. Chernenko was, at 72, the oldest in ever to assume power in the Soviet Union and, therefore, was ver regarded as more than a traditional leader.

Severe health problems, including a lung disease that made him peer to gasp for breath at times, attributed to an image of weakness. His only public appearance since last December was at a meeting of the Politburo on Feb. 7. However, he was seen twice on television news broadcasts in February. The first time, on Feb. 24, he is shown voting in local Soviet elections; the second, on Feb. 28, showed him being presented with credentials as a parliamentary deputy following the elections. In his appearances, he was pale and visibly weak.

Under Mr. Chernenko, the Soviet foreign minister, Andrei A. Gromyko, appeared to dominate foreign policy issues, while Defense Minister Dmitri F. Ustinov, who died Dec. 20, apparently controlled military matters.

Mr. Chernenko's public speaking style was so poor that it embarrassed his colleagues. He rushed through his texts, swallowing some words and barely pronouncing others, so that he was very hard to understand. At one appearance, he left his place and skipped a whole page.

Shortly after he took office a month ago, there were signs that Mr. Chernenko would take a more moderate approach to the West than his predecessor, Yuri V. Andropov. That initial optimism was dashed as Mr. Chernenko repeatedly insisted that President Ronald Reagan could not be dealt with.

Last fall, however, Mr. Chernenko presided over a turnaround in the Soviet position. In November, he proposed a meeting be-



United Press International
Konstantin Chernenko and Leonid Brezhnev at signing of SALT-2 treaty in Vienna in 1979.

tween Mr. Gromyko and the U.S. secretary of state, George P. Shultz. He went on to cooperate in forging an agreement on reviving the arms control negotiations that are scheduled to resume Tuesday in Geneva.

Domestically, Mr. Chernenko believed in a conservative, authoritarian approach that leaned heavily on exhortations to improve workers' productivity.

He expanded programs to give workers and managers more financial incentive and responsibility. Statistics for 1984 showed that industrial output rose 4 percent and that labor productivity in industry was up 3.8 percent.

He also sustained the anti-corruption campaign started by Andropov. The leader of Rostov province was dismissed and a major purge was begun in Central Asia. More surprisingly, he pressed a corruption case against Nikolai A. Shchelokov, Brezhnev's friend and interior minister. Mr. Shchelokov died, possibly by his own hand, after being stripped of his general rank in September.

Mr. Chernenko was a simple man who lacked a university edu-

cation. He scorned proposals for economic reform and, as a critic said, seemed to pursue an all-stick, no-carrot policy so far as workers' incentives were concerned.

He was a fundamentalist on artistic matters, decrying his belief in "socialist realism" and other slogans to glorify the Communists and the working class. Soviet artists ridiculed what they called a return to "irrational and muscle" of the 1930s, but Mr. Chernenko's criticism took its toll on some avant-garde film and theater directors.

Mr. Chernenko was a lifelong Communist Party official, specializing in ideology. But it was his connection with Brezhnev, solidified when they worked together in the Soviet republic of Moldavia in the late 1940s, that allowed him to rise from obscurity in Siberia to the most powerful post in the Soviet Union.

Konstantin Ustinovich Chernenko was born in the Siberian village of Bolshaya Tes on Sept. 24, 1911, about six years before the October Revolution swept the capital Moscow school from 1943 to 1945.

Then he became secretary of the Penza regional party committee for

According to his own account, it

was a hard life in a large and poor family and he left home at the age of 12 to work for a wealthy farmer, known as a *kulak*.

In propagandist's prose, he later wrote of his childhood: "We were underfed and poorly clothed, but the dreams of a radiant future for all fascinated us and made us feel happy."

By the age of 18, however, he was doing propaganda work in his home region near the city of Krasnoyarsk. He volunteered for the Red Army in 1930 and was assigned to a border unit, patrolling the frontier on horseback. He became secretary of his party cell there.

After army service, Mr. Chernenko went back to work for the party, directing agitation and propaganda in two districts near his native village. While millions of other Soviet men went to the front to fight the invading Nazis, he remained in his Siberian post and studied party organization at a special Moscow school from 1943 to 1945.

Then he became secretary of the

Penza regional party committee for

three years until he was assigned to Moldavia to head the Agitation and Propaganda Department, where he worked with Brezhnev.

Some reports said that he was Brezhnev's driver for a time. The two men became friends and, although Mr. Chernenko stayed dutifully in the background, the friendship clearly helped his career.

In Moldavia, Mr. Chernenko went to night school to complete his education, interrupted at the age of 12 when he quit to start work. He was graduated from Moldavian Teachers' College in 1953, at the age of 42.

When Mr. Chernenko's mentor, Brezhnev, was transferred to Moscow, Mr. Chernenko soon followed, getting a prized post in the Agitation and Propaganda Department of the Central Committee in 1956.

It was not until the removal of Nikita S. Khrushchev as party leader in 1964, however, that Brezhnev and Mr. Chernenko moved into positions of power.

Brezhnev, who became first secretary of the Central Committee of the Communist Party, named Mr. Chernenko as secretary of the committee's General Department. It was a key post in the most powerful group in the Soviet Union, comparable to being a cabinet secretary in Europe or the White House chief of staff in the United States.

With Brezhnev's backing, Mr. Chernenko became a nonvoting member of the Central Committee in 1966. Five years later, he became a full member. His rise, in Soviet terms, was rapid, for he became an alternate member of the Politburo in 1977 and he was elevated to full membership in that ruling body the following year.

Brezhnev was clearly grooming Mr. Chernenko to be his successor, sending him to the Helsinki Conference on Security and Cooperation in Europe, in 1975, and bringing him along for the 1979 Vienna summit meeting with the U.S. president, Jimmy Carter.

Early in 1982, in a sign of his new eminence, Mr. Chernenko was named the third-ranking member of the Politburo. But when Brezhnev died on Nov. 10, 1982, the leadership did not go to his protégé.

It went instead to Andropov, the former head of the KGB security police. Mr. Chernenko nominated his rival to be general secretary of the Communist Party. In return, Mr. Chernenko got a relatively prestigious job, although he was dropped from the post of secretary of the General Department.

One of Mr. Chernenko's problems was that he never ran any-

thing himself, or led a district or city branch of the Communist Party. He had no managerial experience, either, and his chief patron, Brezhnev, was dead.

Early in 1983, Mr. Chernenko dropped out of sight. He had to cancel a scheduled trip to East Berlin and he missed the spring spectacular in Moscow, the May Day military parade. His office at first said he had a cold and later reported that he had pneumonia after his two-month absence.

But he apparently retained Andropov's confidence despite rumors that he was about to be removed from his Politburo post. Then Andropov became ill with a fatal kidney disease; he was not seen in public after Aug. 15, 1983. Andropov died on Feb. 9, 1984.

The announcement of his death, which interrupted solemn music on Moscow radio stations, was made the following day.

In a remarkable political comeback, Mr. Chernenko became the compromise candidate to replace Andropov. He was named general secretary of the Communist Party after serving as chairman of the funeral commission for his rival.

But there were signs of opposition within the Politburo to his selection and the announced unanimous vote in favor of Mr. Chernenko was suspect.

After his election, the new leader had a whirlwind five months, meeting with world leaders who attended the Andropov funeral and later was host to Spain's king, Juan Carlos I, and President François Mitterrand of France.

Westerners were encouraged when Mr. Chernenko said in March 1984 that he favored a "drastic change in Soviet-American relations" from their 20-year low point.

But others said Mr. Chernenko had little leeway for altering the Soviet foreign policy stance, particularly in view of Mr. Gromyko's hard-line views. Relations with the

United States remained icy until Mr. Chernenko's proposal in November for meeting between Mr. Gromyko and Mr. Shultz.

On April 11, 1984, Mr. Chernenko was named president of the Supreme Soviet, the nominal parliament, giving him the same protocol rank as any head of state.

Despite his prominence, little was known about Mr. Chernenko's private life. Friends said he was a warm-hearted and sentimental, a man who could break into tears during a sad movie or after discussions of World War II.

Armand Hammer, an American industrialist who has known every Soviet leader since Lenin's time, said of Mr. Chernenko, "He's a very warm-hearted man just like Brezhnev was. A very pragmatic man."

Mr. Chernenko's wife, Anna Dmitrievna, was rarely seen in public. A daughter, Yelena Konstantinova, worked as a senior researcher at the Marxism-Leninism Institute.

In addition, he had two sons. According to the little information available, one works at Goskino, the state film organization, the other at the Agitation and Propaganda Department in the provincial city of Tomsk.

Concern over Mr. Chernenko's health was again expressed in the summer of 1984 when he failed to show up in public for more than seven weeks after ostensibly leaving on vacation.

But he reappeared on Sept. 5 at a ceremony honoring three Soviet cosmonauts and seemed in good form.

Mr. Chernenko's style was shown vividly by an article he once wrote. It included a warning that reflected his own unwavering faith in the party and all its works.

"Both at work and in party life," he wrote, "to study and everyday life, always and everywhere, the Communist should remain a Communist, and carry with dignity the lofty title of a member of our party of Lenin."

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Succession by Gorbachov Seen as a Break With the Old Guard

(Continued from Page 1)

aditure and developing resources of the civilian economy.

Some aspects of Mr. Gorbachov's background are as obscure as his views.

He was born March 2, 1931, to a peasant family in the village of Priyolovo in the Stavropol region of northern Caucasus. He was a teenager during World War II, but it is not known if he was in the area en route to the Nazis occupied it from 1942 to 1943 or if he was evacuated. From 1946 to 1950, he worked at machine tractor stations in the Stavropol region. He then went to Stavropol State University, graduating in 1955 after taking the standard five-year law course.

It was in Moscow, in 1952, that Gorbachov joined the Communist Party. Returning home, he steadily through the ranks to become first secretary there in 70.

In 1978, he transferred to Moscow to take the agriculture portfolio in the Central Committee secretariat, the administrative body eight responsible for the day-to-day running of the country.

He succeeded his former Stavropol



Among Politburo members voting during a meeting in 1983 were, front row, from left: Foreign Minister Andrei A. Gromyko, Konstantin U. Chernenko and Prime Minister Mikhail S. Gorbachov.

pol party leader, Fyodor D. Kalakov, in the agriculture job. Mikhail A. Suslov, the then-powerful Politburo ideologist, had his territorial

power base in Stavropol and Andropov, then head of the KGB, the state security agency, also was born there.

Continued poor performances in agriculture did not appear to hinder Mr. Gorbachov's further rise.

He became a candidate, or nonvoting member, of the Politb

INTERNATIONAL Herald Tribune

Published With The New York Times and The Washington Post

The Road to 'Star Wars'

Step back for a minute from the epic argument raging over President Reagan's "star wars" idea. How is it that Mr. Reagan and his critics, and the United States and the Soviet Union, find themselves at this pass?

• Arms control had reached a stalemate, if not a general crisis. This was signified not merely by the Soviet Union's boycott of the START and INF talks. A substantive deadlock had been reached in those talks. And, in the view of many experts, difficulties in agreeing on a strategic balance, in arranging verification and, in the West, in securing political support for the arms control process had made it increasingly difficult to move ahead. So there was a readiness to look for some new way to transform the situation or at least to create a new chemistry or a new combination.

• Deterrence had engendered ever wider skepticism and doubt bordering, on the left as well as on the right, on fear and contempt. For years the right had feared a "window of strategic vulnerability." More recently, the left had come to fear a general breakdown of the nuclear peace. In broaching his idea of a Strategic Defense Initiative, President Reagan was responding to a pervasive discontent with the viability of the theory of mutual deterrence. There was a market for another theory.

• Technology, as always, was marching on, making possible inquiries and inventions that had not been thought of in earlier years. All of the separate pieces of the SDI that are now in the administration's budget were already being worked on, separately, at the time Mr. Reagan made his maiden speech on the idea

— THE WASHINGTON POST.

Japan-Bashing Is Unwise

If Japan does not lower barriers to American imports, warns Bill Brock, President Reagan's trade representative, "we will have to decide what steps to take." Members of the Senate Foreign Relations Committee are even less diplomatic. Chairman Richard Lugar wants a 20-percent tariff on Japanese products until Tokyo cures once and for all. And there is reason. Japan has resisted pleas to open its markets to products ranging from medical equipment to communications satellites. Now, as part of a campaign to convince the Japanese that Washington means business, the administration is hunting at retaliation.

Such tactics might make sense if they were sure to work and sure to do no lasting damage to the political alliance. A lowering of Japanese import barriers would be a good thing for both economies. Japan's policymakers owe foreigners, and themselves, an honest effort to return their economy to foreign competition.

But liberalized trade cannot do much for beleaguered American exporters — not until the exchange value of the dollar declines. So there is little logic in putting the political alliance at risk or penalizing American consumers with retaliatory tariffs.

Protectionism is bad for the Japanese economy. It sharply raises costs for Japanese consumers and deprives Japan's less-efficient industries of the competition they need to become productive. But the Japanese government's tenacious defense of trade barriers is nonetheless understandable in political terms.

The ruling Liberal Democratic Party copes with conflict by smothering it, until a consensus can be reached in private. That gives interests that speak stubbornly and with a single voice great power to prevent change. It is because of such politics that Japan's tiny farm sector can get away with charging 45 percent more than world prices for food; that mom-and-pop grocery stores can block construction of supermarkets; that a few hundred fishermen can dictate Japan's diplomatic stance on whaling. Consensus politics also explains why foreign demands for access to Japanese markets have met with so little success.

Even if exporters go their way, it is not clear that America would gain much. Some industries, notably telecommunications, could profit. But for all the huffing about fair's fair, nobody who has bothered to look at the numbers believes that eliminating all trade barriers could increase exports to Japan by more than \$10 billion a year. That would hardly be more than a statistical blip in the \$140-billion U.S. trade deficit. Mr. Brock candidly admits his "nightmare that the Japanese do all the things we ask them to do and nothing changes."

The 70-percent rise of the dollar in the last four years has devastated efficient American exporters and cost them thousands of jobs. It is only natural that these companies now demand a chance to sell their goods in the few markets where they still have a price edge. But Japanese trade policies, however stacked Japan's way, are not a primary cause of America's export problem. Reforms would be only a minor part of the solution. With so little to gain, Japan-bashing just is not the answer.

— THE NEW YORK TIMES.

Going After the Mafia

A federal grand jury in New York has indicted nine Mafia figures, charging them with such crimes as extortion, labor racketeering and complicity in murder. Last year there were more than 3,000 indictments of organized crime figures in America, but this case is different. Prosecutors say they have, in this one sweep, reached top leaders of the Mafia, which the indictment depicts as an ongoing criminal operation in America since 1960.

The investigation was a cooperative effort involving the Justice Department, the FBI, state and city police, the New York State Organized Crime Task Force and the Brooklyn district attorney. U.S. officials received assistance from their counterparts in Italy. Crucial evidence was obtained by state offices who were able to plant a bug in a Mafia car. Leadership and determination were provided by FBI Director William Webster, whose decision to make the Mafia a top FBI priority is welcome departure from the policies of his predecessors and deserves praise.

Forget about that nice Marlon Brando worrying about his tomatoes and his grandchildren. Don't be misled by the cutsey names — "Tony Ducks," "Joe Bananas." Not only are these people charged with specific acts of violence and crime, they also run a tightly organized crime empire. More than gambling, drugs, loan-sharking and prostitution are involved.

— THE WASHINGTON POST.

FROM OUR MARCH 12 PAGES, 75 AND 50 YEARS AGO

1910: U.S. Warships to Use Oil Fuel

WASHINGTON — The American naval authorities have not been found asleep by the report that Great Britain has decided to adopt oil as fuel. The keen competition between the two navies is to continue. Naval officers say that the real test will be found in the development of oil fuel as an agent in an increased steaming radius for greater speed. Realizing the tremendous advantage which the American oil fields offer, naval officers say that the time has come to take advantage of the situation and that oil for warships is here to stay. While practically every ship is constructed so that its machinery can be converted from coal to oil, all new battleships will have oil tanks.

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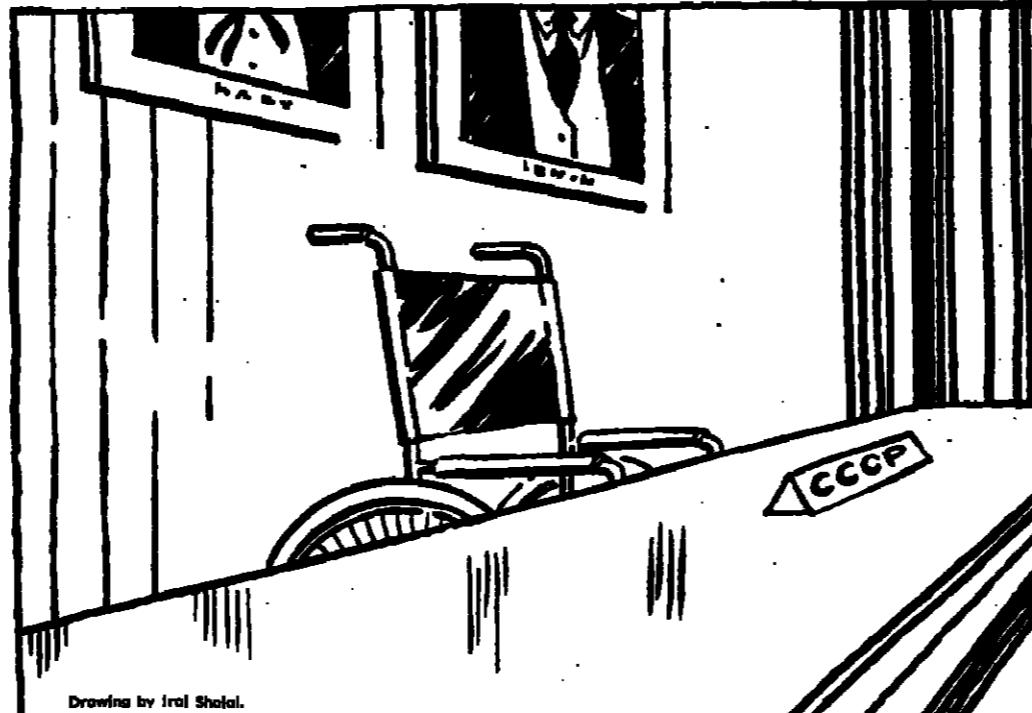
Directeur de la publication: Walter N. Whitney

Managing Dir. U.K.: Robin MacKintosh, 63 Long Acre, London WC2, Tel: 836-4902. Telex: 262009.

S.A. au capital de 1,300,000 F. RCS Nanterre B 73202126. Comptoir Particulier No. 6137.

U.S. subscription: \$24 yearly. Second-class postage paid at Long Island City, N.Y. 11101.

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Drawing by Ira Shalit.

Exit Chernenko, as His Men Return to Arms Talks

By Joseph Kraft

WASHINGTON — Death had its logo in claiming Konstantin Chernenko just before Big Two arms control talks resumed in Geneva. For the one achievement of Mr. Chernenko's brief time in authority was the renewal of the arms talks.

It is fit, too, that at the time of death a colleague in the Politburo, Vladimir Shcherbitsky, was in the United States probing American attitudes. For what Mr. Shcherbitsky has been saying provides a strong sense of what the Soviet political leadership views arms control and its problems.

Technically, Mr. Shcherbitsky came to America in an exchange program between the U.S. Congress and the Supreme Soviet. Russia's rubber-stamp parliament. Before cutting off the trip to return to Moscow for the funeral, the delegation of 33 persons spent four days in Washington. Both in public and in a private session with President Reagan, asked whether a Two agreement on arms control was possible.

In a formal statement distributed by Tass, Mr. Shcherbitsky echoed the hard line on "star wars" set out by General Chervov and Mr. Arbatov. But he sounded a different note when he spoke to reporters on the White House lawn after a session with President Reagan. Asked whether a Two agreement on arms control was possible, Mr. Shcherbitsky said:

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The contrast between that conciliatory tone and the harsh line of the lesser lights underlines a problem confronting Russia in the Geneva

control was the prime subject. Most of the public statements were made by well-known members of the delegation. General Nikolai Chervov, a leading military figure in arms control, repeatedly let it be known that if the United States went along with its "star wars" program for anti-missile defense, the Russians would take appropriate countermeasures, including a buildup of offensive weapons. And Georgi Arbatov, of the Institute of the U.S.A., intimated in a Washington television broadcast that U.S. pursuit of "star wars" would "run" a Two agreement on arms control was possible.

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But Mr. Shcherbitsky is not to be confused with those smaller fry. He is a Soviet pol, a member of the Politburo since 1971, and first secretary for the Ukraine since 1972. One Reagan administration official who spent time with him was reminded of America's last potent big-city political boss. "Shcherbitsky," he said, "is a Russian Mayor Day."

Like the late Chicago mayor, Mr. Shcherbitsky is associated with a distinct wing in national politics. He rose as a protégé of Leonid Brezhnev. He had close ties to another Brezhnev protégé — Mr. Chernenko. Like Mr. Chernenko he was identified with the faction in the Kremlin that promoted détente with the United States in the early 1970s. Mr. Shcherbitsky was named Ukrainian first secretary on the eve of the Brezhnev-Nixon summit meeting of 1972. That move assured Mr. Brezhnev a majority for détente within the Politburo.

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A SPECIAL REPORT ON NIGERIA

Going It Alone: Austerity Puts Nation to Test

(Continued From Previous Page)
ral gas for export. Parts of the petrochemical project are expected to be delayed, however, and the steel industry is widely dismissed as a failure of planning.

Some state-owned companies, such as the telephone monopoly and certain agricultural operations, are candidates for sale to the public, though no major sales seem imminent.

While the government says it wants to attract more foreign investment, businessmen say it is still far too difficult to convert naira profits into foreign currency and to obtain approvals from Nigeria's grinding bureaucracy.

"God help anyone who wants to set up a new business," said a senior British executive at one of Nigeria's biggest manufacturing companies. "I've come across people who sat in the hotel lobby for two years, even though their projects were things the government was keen to promote."

Nevertheless, General Buhari said in his budget speech that 1985 "will be a year in which the country can start to recover." He predicted that gross domestic product would grow 1 percent after shrinking more than 10 percent over the previous three years.

Foreign observers are not so sure.

They do acknowledge that the government has managed to keep Lagos cleaner and that electricity and water supplies are more reliable, only partly because the recession has reduced demand. Foreign businessmen also generally say the new government's economic management is superior to that of the civilian government.

Imports are artificially cheap, and exports other than oil, which is priced in dollars, are hopelessly expensive.

That is why many foreign observers hope Nigeria eventually will cave in to IMF terms similar to those agreed upon in 33 other cash-starved countries with loans from the fund. Discussions on Nigeria's request for a \$2.4-billion IMF loan have stalled over the fund's call for a devaluation and a reduction in subsidies for local users of oil products.

An IMF agreement would make foreign banks and export-credit agencies more willing to stretch out Nigeria's loan payments. Some bankers say, however, that the banks just might agree on a rescheduling without an IMF program, especially if Nigeria seemed to be fulfilling most of the usual IMF demands.

In any case, many banks and

er, though no reliable statistics are available.

Feeding the inflation are severe shortages caused by import restrictions. Car tires cost the equivalent of at least \$350 (converting the naira at the official rate) and have become popular as carry-on baggage on flights to Lagos. A box of 100 tea bags that sells for 70 pence in Britain is offered in Lagos at about 20 times as much. Eggs cost as much as \$4.80 a dozen.

The need to ration imports means cumbersome regulations. A businessman may receive a license to import vital materials after months of waiting, but he still does not know when he will receive the foreign-exchange allotment needed to buy the goods.

As a result of such shortages and uncertainty, Nigerian factories, which mostly are mere assembly operations, typically operate at around a fifth of capacity, according to Oladapo Falafola, executive director of the Manufacturers' Association of Nigeria.

In some cases, shortages produce fat profit margins on what little product can be sold. But the cost is high inflation and unemployment.

In addition, Nigeria's economy suffers from all the distortions that go with an overvalued currency. The official rate is about \$1.20 to the naira. On the black market, the naira is worth only a fourth or a fifth as much, as almost any hotel clerk can tell a foreign guest.

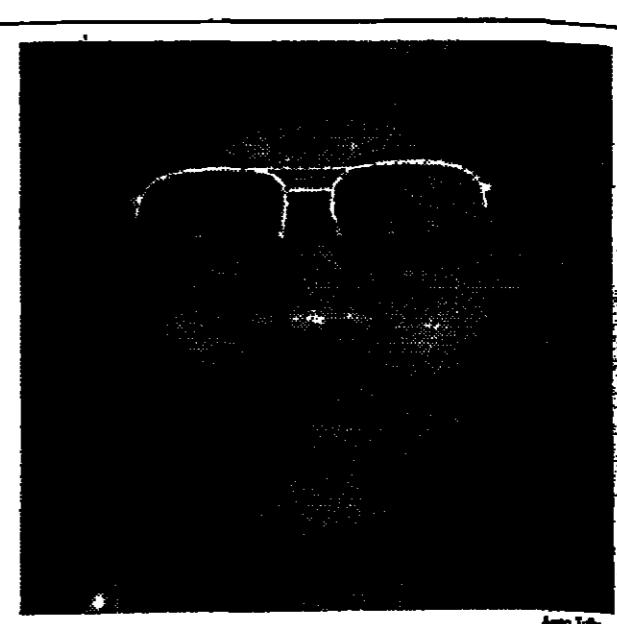
So, despite the harsh penalties, much of Nigeria's energy and ingenuity goes into smuggling and other black-market dealings.

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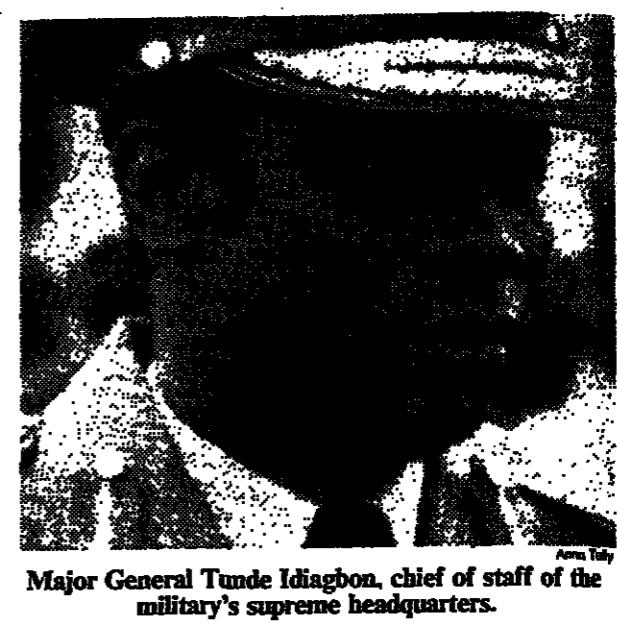
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Major General Mohammed Buhari, head of state.



Major General Tunde Idiagbon, chief of staff of the military's supreme headquarters.

businessmen think some kind of rescheduling is necessary to keep the economy functioning. Without rescheduling, warned Mr. Falafola of the Manufacturers' Association, "it's going to be even tougher next year."

The government has made it difficult to reschedule, however, by making an emotional issue of its resistance to IMF terms. "They have painted the image of the IMF as a rapacious vulture hovering over Nigeria," said a British economist.

The government's main fear on devolution appears to be that it would pump up inflation further by multiplying the naira cost of imports. Thus, say the government's defenders, any sudden devaluation would bear huge political risks.

"You can't repay your loans if people are fighting in the streets," a Nigerian banker observed.

Many Nigerian businessmen say they hope the naira can gradually be nudged down toward a realistic level. In the past four months, the central bank has lowered the naira's official rate nearly 10 percent against the soaring dollar, but the naira has risen against other major currencies.

Some bankers here have accused the IMF of being inflexible in its demands. But even some IMF insiders say it is not entirely clear that the standard cure is right for Nigeria, which, unlike many poor countries, has a large home market to fall back on. Rescheduling is expensive in terms of interest, and many outsiders doubt that Nigeria is ready just now to invest wisely any infusion of borrowed money.

"It's better to starve ourselves, than a young Nigerian banker, expressing the popular view. "We will see what we can do without the IMF."

Exchange-Rate Pride Blocks IMF Loan Package

By Howard French

LAGOS—No economic issue in Nigeria has been so widely discussed and debated as the country's running negotiations with the International Monetary Fund for a major loan. Perhaps the most controversial element of any loan package is the fund's insistence that Nigeria devalue the naira.

An agreement with the IMF would clear the way for a refinancing of Nigeria's trade debt of more than \$2 billion and inject new funds into the economy.

Since negotiations between the government and the fund broke off in 1983, a military government has come to power, instituting some of the elements included in the loan package. It had been expected that the military leaders would accept an IMF deal, placing responsibility for the sacrifices required for economic restructuring on the largely discredited government of former President Shehu Shagari. Instead, the military has made a sticking point of the devaluation issue.

As a Lagos banker put it, "A high exchange rate has become a matter of national pride here."

Nigerian officials have argued against a devaluation, accusing the IMF of imposing "stock solutions that inevitably include a massive devaluation" without carefully analyzing Nigerian realities. Opponents of a devaluation say that it is only appropriate for export-oriented economies, whereas Nigeria exports a very narrow range of goods, principally petroleum products, whose prices are fixed by membership in international cartels. Moreover, it is feared that a devaluation would cause a sudden surge in inflation that could threaten the government's stability.

Proponents of devaluation argue that Nigeria must diversify its exports away from oil, and devaluation would make foreign suppliers of both foods and industrial goods less competitive, thus giving an incentive to local producers. A World Bank official said that production of the country's only significant cash crop, cocoa, is rapidly declining, "partly because international prices, set in dollars, become ridiculously low when converted into overpriced naira."

A banker suggested that "the most honest market is the black market, where goods are traded freely and find their real value." On Nigeria's black market, the naira trades at less than a quarter of its official rate of \$1.21 to the naira. "The whole aim of devaluation and trade liberalization is to put the black market out of business by

allowing unrestricted commerce," the banker said.

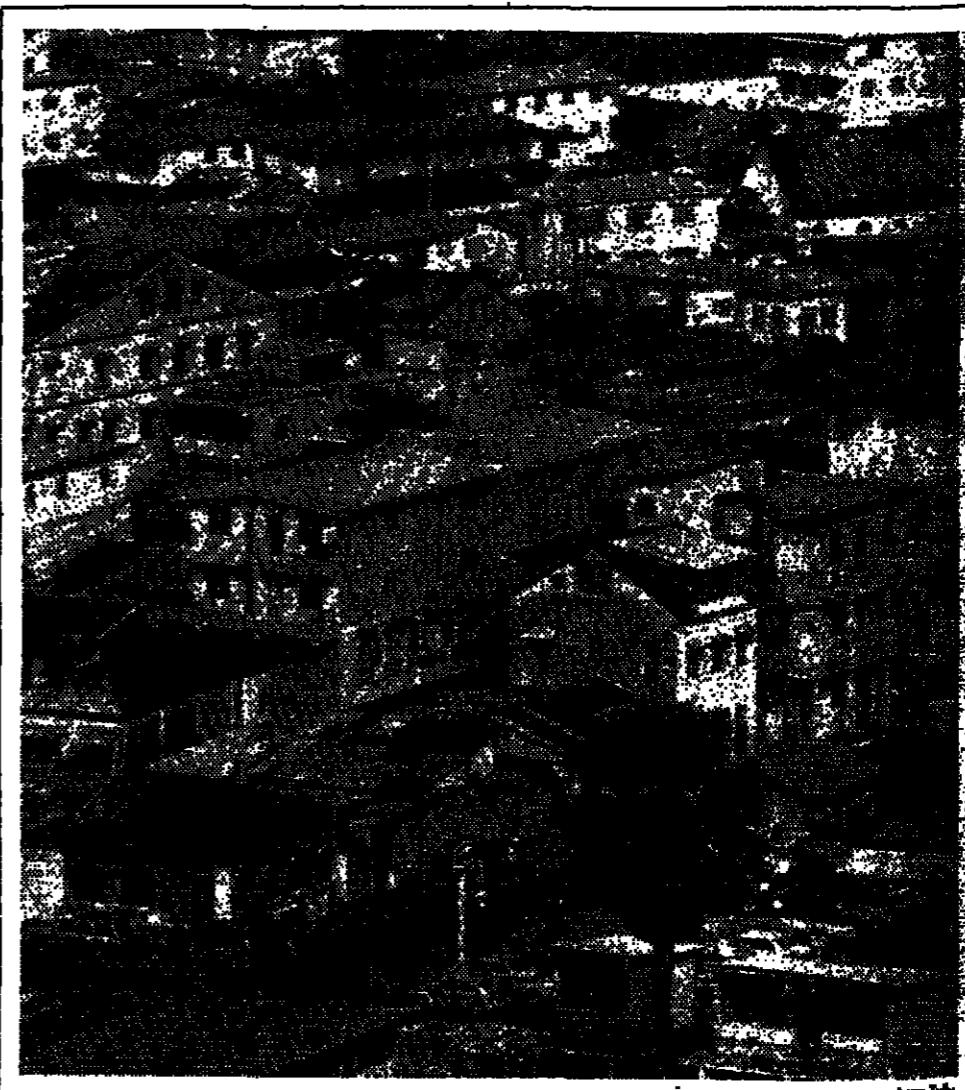
A prominent American businessman said: "The only convincing argument against the IMF loan and devaluation is that self-confidence in economic management is lacking and the government fears taking on any more lending because they are

men's moves to restructure the economy, pointing out that many of the measures it has taken are along the lines of what was proposed by the IMF. Recently, attention has been drawn to the fact that the naira has been allowed to slide downward in relation to the U.S.

The military has made a sticking point of the devaluation issue. As a Lagos banker put it, 'A high exchange rate has become a matter of national pride here.'

Another move bound to please the fund's economists has been the restructuring of the import tariff code, which one diplomat qualified as "IMF-inspired."

In lieu of an agreement with the fund, which would provide the economy with sorely needed finances, the most important reform likely to be enacted by the Supreme Military Council will be permission to allow companies to maintain foreign-currency accounts in Nigerian banks. This measure would permit companies to use foreign exchange earned from domestic production without having to seek central bank approval.

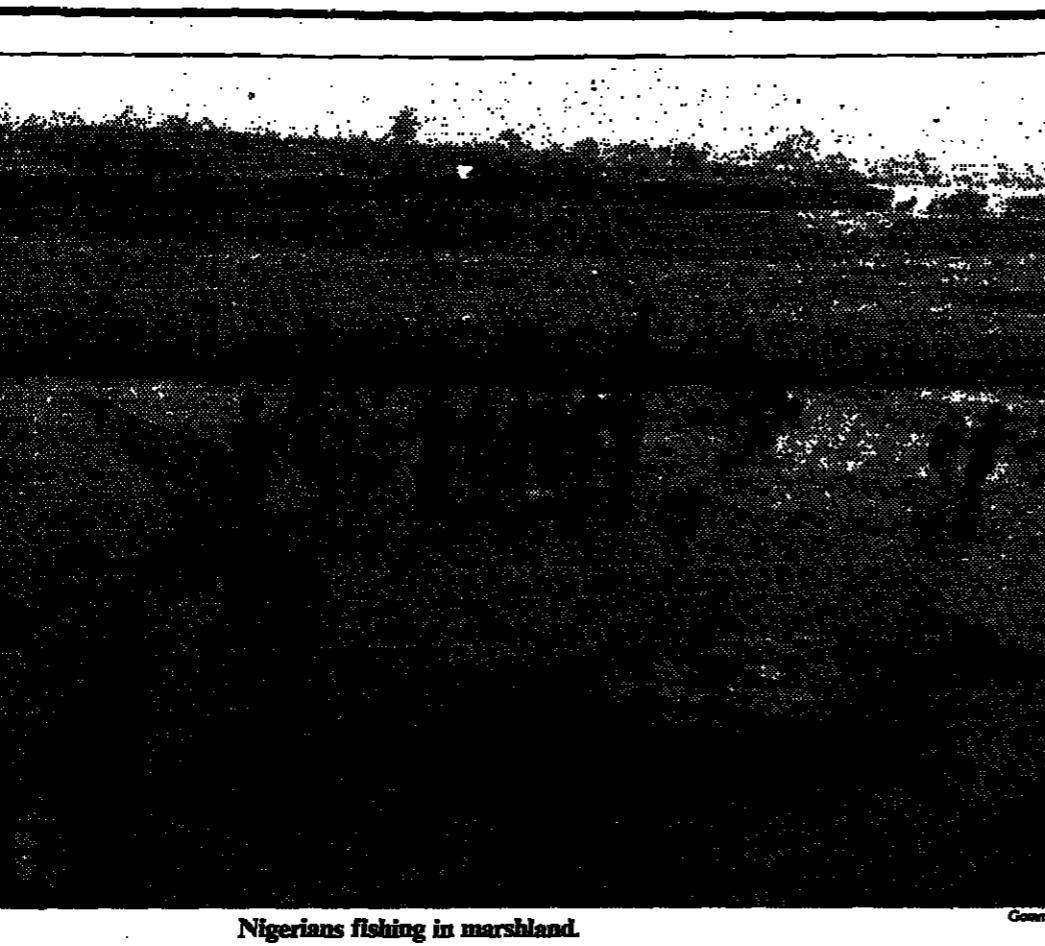


A rooftop view of the capital, Lagos.

Nigerian Relat



A SPECIAL REPORT ON NIGERIA



Nigerians fishing in marshland.

Foreign Policy Raises Economic Shield

(Continued From Page 7)

Nigerians feel uncomfortable with what is seen as an excessively paternalistic attitude in French circles in Africa, although it is clear that economically the francophone states have benefited from what the French call their "African family," and their common heritage makes them an effective, if at times troublesome, pressure bloc. Mr. Gambari likes to describe Nigeria's current foreign-policy approach as a series of concordances with Nigeria's security, territorial integrity and political independence at the center.

ECOWAS would come next, on wider African issues such as colonization, with the outer circle being Nigeria's relations with organizations, institutions, and entities beyond Africa's shores. It is not a rigid model, but there is no doubt that the military regime keeping to the promise, made days after seizing power, to take Africa the centerpiece of Nigeria's foreign policy.

This, together with the promise of an activist foreign policy, harked back to the heady days of former esident General Murtala Mohammed, who, in the few months had in power before his assassination, transformed Nigerian democracy. He made it clear that his is a country that would not be shamed around and that deserved insisted on being heard.

But the days of nationalizing British Petroleum, paving the way for Rhodesia — the pre-independence name for Zimbabwe — came to an end, ushering in Angolan independence and shaming the United States came, it is felt here, to an

ignominious end with the second republic of Shehu Shagari when, in Mr. Gambari's words, Nigeria became a "diplomatic parasite."

Mr. Gambari, a former director of Nigeria's Institute for International Affairs, has set out to change that image and to show that Nigeria can and must play a more active role, especially within the Organization of African Unity.

Nigeria takes much of the credit for salvaging that ailing body,

whose future, until last year's summit in Addis Ababa, was in doubt. On the eve of the summit, Mr. Gambari issued a statement recognizing the Polisario Front and calling on other states to follow suit, not necessarily in approval of Polisario policies, but because it was absurd to let one issue endanger the existence of the OAU.

In public, and behind the scenes, Nigeria argued again and again that the massive practical problems facing the continent should be tackled first and that rhetoric and politically contentious and divisive issues should be put to one side. Nigeria also used the clout that comes from being one of the few member states that pays its dues, which are much higher than most.

For the Nigerian delegation led by head of state Major General Mohammed Buhari and Mr. Gambari, the summit was a clear success. It was businesslike, frank and to the point, and although Morocco and Zaire withdrew in protest over the Polisario's admission, the organization survived.

Nigeria also has been taking an increasingly tough line on the problems of southern Africa and has called repeatedly for an intensification of the political and material

support for the armed liberation movements in the region. In his most recent speech on foreign affairs, General Buhari described South Africa as the "greatest threat to Nigeria's national interests" and criticized what he called the encouragement of South Africa's intransigence by a possibly well-intentioned but misguided policy of constructive engagement being pursued in Washington.

The United States also has been criticized for complicating the Namibian issue — independence for South-West Africa — by regarding it as part of the East-West conflict. This, to Mr. Gambari, is simply a complete red herring.

He also is alarmed at what he sees as South Africa's attempts to break out of international isolation and achieve some degree of respectability. The visit by Prime Minister Pieter W. Botha to Western Europe and, in particular, his visit to London, was strongly criticized. What made this worse, in Nigerian eyes, was the fact that shortly before Mr. Botha's London visit, the British foreign secretary, Sir Geoffrey Howe, had canceled a visit to Lagos. This was offensive because it is many years since a high-ranking British minister has visited Nigeria — in stark contrast to the frequent visits to francophone Africa by senior French figures.

The tangled love-hate relationship between Nigeria and Britain flared up last year following the kidnap attempt in Britain of Umaru Dikko, minister of transport in the Shagari government. Britain has not yet made a decision on Nigerian requests for the extradition of Mr. Dikko, who has been

charged with corruption. There was as much hurt as outrage that Britain could show so little understanding of the Nigerian position.

High commissioners were withdrawn from London and Lagos but both sides were anxious that things not be taken too far. There is still a bitterness, however, that Britain continues to harbor Nigeria's most wanted man and the issue could erupt once more when Nigeria's application for extradition and Mr. Dikko's appeal for political asylum are heard.

Britain's relations with Nigeria are complicated further by the fact that both countries produce almost the same quality of crude oil although both pursue different pricing policies. And the Nigerians feel that Britain has been less than understanding over the rescheduling negotiations at the Club of Paris, with Britain among those pushing hard for Nigeria to accept International Monetary Fund conditions that seem increasingly inappropriate to the Nigerian case. It is felt that Britain and the West in general does not want to see Nigeria running up its nose at the IMF lest this set a precedent, as it no doubt would.

It is 25 years since Nigeria gained its independence from Britain, and the silver jubilee celebrations later this year should be quite spectacular. But the Nigerians are increasingly realizing that political independence can be feeble without economic independence as well. That is why Nigeria stresses self-sufficiency not only within Nigeria but also within Africa. Many years of Western aid, investment and advice have failed to radically transform Africa.

J.S.-Nigerian Relations in a Holding Pattern

(Continued From Page 7)

abin as one of the two main suppliers of crude oil to the United States.

But that position was eroded by increasing U.S. shift to imports from neighboring Mexico, by reduced demand resulting from the worldwide recession and by the fact that has enabled American refiners to fill their needs with readily available heavy oil, which is cheaper than Nigeria's high-grade crude. With little expectation of a return to the days of fat oil margins, Nigeria has neither the nor the resources to play the of a regional power.

As a result, its ties with the United States have taken on an essentially parochial character.

When diplomats from both countries tick off the non-economic issues that currently figure in the relationship, they come down to such a matter as the plight of the more than 20,000 Nigerian students in the United States who are having trouble getting the money to continue their studies because of their government's crackdown on currency exports.

Washington is also concerned by the case of an American woman who is facing trial in Nigeria on

charges of illegal petroleum transactions.

On a broader scale, Nigeria has joined with the rest of black Africa in criticizing President Ronald Reagan's "constructive engagement" policy toward the white-minority government in South Africa.

But it has not become a major issue of contention.

Similarly, U.S. officials privately regard Nigeria's return to military rule as a setback to the process of African political democratization. But they have been careful not to press the military to step aside or to

veto its potential to get its house in order.

A Journalistic Tradition Uneasy Under Restraint

(Continued From Page 7)

voked a lively debate. Information Minister Samson Omeru argued that the law was not meant to muzzle the press but rather to stimulate higher standards of reporting. Journalists asked who would protect the public from government abuse and speak in the interests of the common man. Moreover, they said, the news media should be encouraged to increase its investigative reporting in order to help the military rid government of corruption.

Although there have been no further trials of journalists, a new culture has entered the profession. The independent dailies publish far fewer investigative reports and many of the once outspoken newspapers now content themselves with printing official communiqués verbatim and giving straight news reports on the daily activities of government officials.

Criticism of government policies continues, but it has been muted and many writers are turning their attention to safer topics like international affairs. Finally, there is less mention of corruption in high places, although the public feels that a great deal of it still is going on.

The situation led one journalist recently to conclude that although the Nigerian press may be a giant in Africa, it casts a far smaller shadow today than it did a few years ago.

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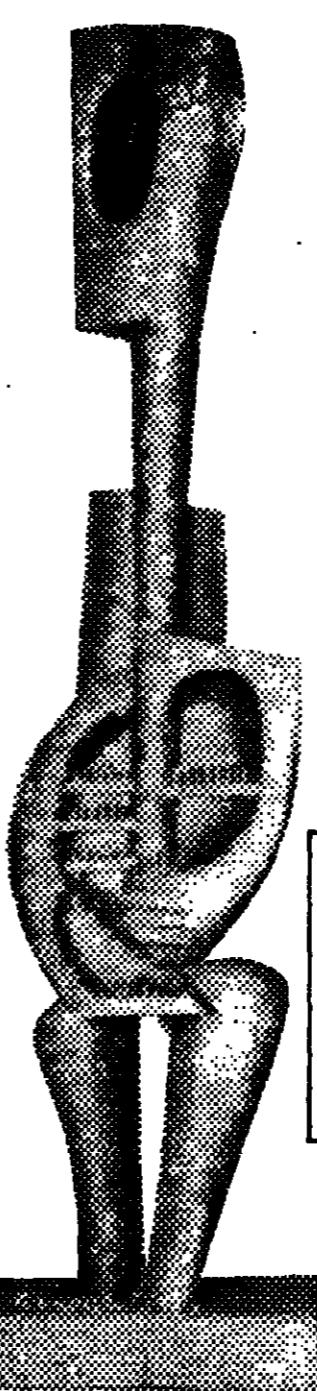
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Liabilities March 31st				
Capital	75,000	70,000	Cash and Banks	1,669,947
Reserves	109,600	92,818	Investments	68,366
Deposits etc.	3,114,546	2,939,911	Loans & Advances	1,560,833
Contra Accounts	740,411	749,960	Contra Accounts	740,411
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A SPECIAL REPORT ON NIGERIA

Gas Project Appears Deflated Despite Huge Proven Reserves

LAGOS — Gas, long Nigeria's great export hope, will not come to the market in time to rescue the country from its current slump.

The country's proposed liquefied natural gas (LNG) plant at Bonny is unlikely to be completed before the mid-1990s, industry executives say, and even then, there is considerable doubt whether the project will go ahead.

"There's a huge amount of skepticism about it," a senior European gas consultant said of the project.

A plan to use more gas at home also has stalled. Saipem SpA, the Italian state-owned energy engineering company, and Mannesmann AG of West Germany are to build a \$1-billion gas-gathering system and pipeline between Escravos and Ighen, near Lagos, where the gas would feed into a new power plant. But work cannot resume until the government approves a new financing proposal from Italy. Tom David-West, Nigeria's oil minister, said that approval should be forthcoming and the project could be completed as early as next year, one year behind schedule.

Some of Nigeria's gas is to be used in the country's new petrochemical plants, although parts of that project also are likely to be postponed as the government reviews its spending priorities.

Despite the delays and outsiders' doubts, the Nigerian government is determined to find ways to use gas and reduce its overwhelming reliance on exports of crude oil.

The trouble with Nigeria's huge gas reserves is that they are far from the major markets. Demand at home is small, given Nigeria's scant industrial base and tropical climate. Subsidies on fuel oil, moreover, make it artificially cheap, undercutting demand for gas.

In the West European market, the established suppliers are the Soviet Union, Norway, the Netherlands and Algeria. Canada and Mexico are well placed to sell to the United States.

energy equivalent of about 8 billion barrels of oil and compares with the country's oil reserves of about 16 billion barrels.

A determined search for gas, moreover, probably would uncover far larger reserves, experts say.

At present, oil companies operating in Nigeria are flaring off gas produced as a byproduct of oil at a rate of well over 1 billion cubic feet a day. In January, new penalties were introduced in an attempt to discourage this waste.

Despite the delays and outsiders' doubts, the government is determined to find ways to use gas and reduce its overwhelming reliance on exports of crude oil.

But oil executives say the penalties have made little difference. The cost of re-injecting gas into the ground for later use is so high in most cases that the government has had to grant exemptions to the rules to keep the oil flowing.

The trouble with Nigeria's huge gas reserves is that they are far from the major markets. Demand at home is small, given Nigeria's scant industrial base and tropical climate. Subsidies on fuel oil, moreover, make it artificially cheap, undercutting demand for gas.

Despite the delays and outsiders' doubts, the Nigerian government is determined to find ways to use gas and reduce its overwhelming reliance on exports of crude oil. Petroleum Information International estimates Nigeria's proven reserves at 45.7 trillion cubic feet (about 1.29 trillion cubic meters). That is the

He did not say when, however.

Mr. David-West said in an interview that three committees were to work on plans for the project this year: one comprising government ministers, one made up of experts from Nigerian National Petroleum Corp., and the third including NNPC officials and representatives of oil companies that might want to invest in the project.

Just days before the military coup in December 1983, the civilian government signed a letter of intent for the local affiliate of the Royal Dutch/Shell Group to manage the project. The letter remains in effect, and Shell has set up a team to work out plans. But there has been little or no liaison between

Shell and NNPC officials working on the project.

Shell and the government still need to reach a formal agreement on the project and sign up any other interested partners. Both Elf Aquitaine of France and Italy's Agip SpA say they would consider investing if the project looks attractive. The other foreign oil companies operating here are standing back.

After reaching a formal agreement, the partners would have to line up financing for the project, whose cost has been roughly estimated at \$7 billion. If Nigeria does

not come to terms with the International Monetary Fund, many banks might shy away from participating in a major loan for the project.

The partners also would have to find customers willing to commit themselves to buying the LNG over a long period, perhaps 20 years.

Such commitments are difficult to obtain in a glutted market as Norway found when it failed to clinch a \$30-billion long-term gas sale to Britain in February. Nigeria faces the added disadvantage of worries about its political stability.

After receiving financing and sales commitments, the partners would need six to eight years to build the plant, industry experts say.

Mr. David-West still holds out hope that the plant could be producing in the early 1990s. Others, with an eye on the glutted market, say the mid-1990s or beyond.

The LNG project already has a long history of delays and false starts. In the mid-1970s, British Petroleum Co. and Shell formed a company called Bonny LNG to develop the project. That company, in 1980, signed a letter of intent to sell LNG to a group of European utili-

ties under a 20-year contract. But the government hesitated, the proposed sale fell through and Bonny LNG eventually slid into oblivion.

Since then, LNG and other gas prices have declined considerably. For instance, the price Belgium pays for Algerian LNG has fallen 23 percent over the past four years to \$3.70 per million British thermal units on a free-on-board basis, according to estimates by Goteborg Larsen Shipping Corp.

Some European gas experts now doubt that the Nigerian project would be profitable at a price low enough to lure customers. "They

may be too late," said a leading consultant, who declined to be identified.

James Ball, editor of International Gas Report, said Nigeria would not be able to undercut Algeria and other established suppliers on price. But he argued that some European countries, notably West Germany, France and Belgium, might choose Nigerian LNG anyway to diversify their sources of supply, especially because Shell's presence gives the project an air of reliability.

— BOB HAGEN



Flaring of natural gas in a Nigerian field.

Heavy Investment Needed for Oil-Field Development to Avoid Production Decline

(Continued From Page 7)

geria is more candid than most other OPEC members in acknowledging that its devotion to the group's rules stops where vital national interests begin. Those interests center on the need to compete with Britain, Norway and other producers outside of OPEC.

In early 1983 and again last October, Nigeria reacted to price cuts by Britain and Norway by imposing even deeper reductions of its own, without waiting for OPEC's approval.

The new price brings Nigeria back into line with the price structure of the Organization of Petroleum Exporting Countries. But Ni-

geria cent for cent — and maybe even more."

Nigeria has chosen to undercut Britain and Norway in the past partly to jolt them into recognizing what it considers the dangers of a price war, oil executives here suggest.

Aside from warning other suppliers, Nigeria is trying to provide incentives to its own customers.

With the new prices, NNPC introduced a special discount for buyers willing to accept at least 20,000 barrels a day of a set package of crudes. The idea is to persuade companies to buy more light crudes. Such crudes in recent years have proved hard to sell, largely

because new techniques allow oil refiners to make better use of the cheaper heavy crudes.

Oil companies here are still assessing the package offer, but some say it appears to make Nigerian oil slightly more attractive. One oil executive estimated the savings for those that accept the package at 13 cents a barrel. Another put the savings at less than 10 cents and added,

"It doesn't look to me as if there's enough in it to make it exciting."

Over the past two years, Nigeria also has reached agreements with most of the foreign oil companies, providing a way for them to increase their liftings when NNPC

does not want to take its share of production. On the additional liftings, the foreign partners are allowed to make a profit of \$2 a barrel.

Some executives label this a disguised discount, but NNPC disputes that interpretation.

Nigeria also is trying to press ahead with plans to increase its refining capacity. Late last year, it awarded contracts to Japan Gasoline Corp., Marubeni and Spie-Batignolles to build a refinery at Alesa-Eleme, near Port Harcourt. But Nigeria has not yet lined up export credits to finance the project, and that could prove difficult

as long as the country resists an economic agreement with the International Monetary Fund.

The new refinery is expected to cost about \$470 million and have a capacity of 150,000 barrels a day. The country's three existing refineries have a combined capacity of 260,000 barrels. Nigerian officials say the new refinery will save the country money by reducing its dependence on imported oil products.

A vigorous crackdown on smuggling, with the threat of death penalties, already is producing savings for the country. Two years ago, the smuggling of oil products was costing the government at least \$1 million a day, Mr. David-West estimated.

A decision to postpone the petrochemical project would affect its second phase, whose cost is expected to be well over \$1 billion. This phase had been due for completion by 1990.

Odoliyi Lolomari, general manager of the petrochemicals division at NNPC, said he would put a priority on rapid development of the polyethylene, propylene and polyvinyl chloride units. The second phase also is to include ethylene oxide, ethylene glycol, plasticizer and chlorine-caustic units.

— BOB HAGEN



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Minister Mixes Oil Business And Wit

LAGOS — When Tam David-West was named Nigeria's oil minister early last year, many oilmen wondered about his qualifications. By training, Mr. David-West was virologist and professor who had served as education commissioner of Nigeria's Rivers State. By inclination, he was an outspoken critic of the deposed civilian government's oil, however, he lacked experience.

A year later, oil executives here say that Mr. David-West, who is 49 years old, has mastered at least the road outlines of the business. He has set a new standard for humor and colorful speech.

At a meeting of the Organization of Petroleum Exporting Countries last December, he told journalists that he thought of OPEC's benchmark price as a "mascot." While it may no longer correspond with market reality, he explained, it still had psychological value and should not be changed lightly.

After all, Mr. David-West said, copies do not change their names once a year: "I'm not going to change my name to David-East."

When he explains Nigerian oil policy, the minister often resorts to medical analogies. "Oil is like the heart of the nation," he has said. "It is to pump all the time."

Mr. David-West, who holds a doctorate from Canada's McGill University, also is fond of Biblical references. Confronted with criticism from other OPEC members of Nigeria's maverick policies, he likes to quote the Biblical injunction: "Let the one amongst you without cast the first stone."

At OPEC meetings, he recently told reporters, "we talk about discipline like a family."

Discussing British oil policy, he described that country's state-owned oil trading company as "a rankenstein monster that is hunting them."

Sometimes Mr. David-West's speech gets him into trouble. Last January's meeting of PEC's market-monitoring committee, he observed that the committee's report sounded remarkably familiar. An aside to Mr. David-West later explained that the minister was trying to underline that the oil world had failed to heed PEC's warnings time and again. But many said al-Oteiba, oil



Nigerian Oil Minister Tam David-West.

minister of the United Arab Emirates and chairman of the committee, took the remark as an affront to his committee. The UAE minister stalked out of the meeting, accusing Nigeria of "stabbing OPEC in the back." It took a diplomatic intervention by Saudi Arabia's oil minister, Sheikh Ahmed Zaki Yamani, to clear the matter up.

Mr. David-West's manner contrasts sharply with that of his predecessor, Yahaya Dikko, who rarely said a word to the press. One exasperated reporter approached the solemn Mr. Dikko at an OPEC meeting and demanded, "Your Excellency, are you still mute?"

"Yes," Mr. Dikko replied, making one of his few recorded comments.

Like journalists, oil executives in Lagos say they generally get along better with the new minister than they did with Mr. Dikko. "He listens — not always, but at times quite well," a senior foreign executive said.

Mr. David-West also gets credit for hard work. He has been known to be "on set" — the local phrase meaning at his desk — as early as 7:15 A.M. for meetings with oilmen. "Whatever I'm doing, I like to be intensely involved," Mr. David-West said in an interview.

"NNPC is a ship without a captain" at such times, an American oil executive said. "You really can't get anything done."

BOB HAGERTY

Lining Up Nigerians for National Resurrection

LAGOS — Passengers arriving at the Lagos airport would be surprised that a "War Against Indiscipline" is deemed necessary in Nigeria. My recent arrival at the airport was smooth, including baggage and customs clearance and currency controls.

But looking for a taxi, I received a first glimpse of the "indiscipline" that Major General Mohammed Buhari has called "the bane of Nigerian society": a heated discussion among taxi drivers that ended in an exchange of blows.

At the hotel, the staff was surprisingly diligent. I was asked to pay a full deposit covering room and board for the length of my stay. I explained that I had come directly from the airport and had not yet had time to change my money at the bank. That was not necessary, I was told, because the hotel requires that foreign currency be exchanged on the spot, so as to rule out the possibility of illegal transactions.

It appeared that the War Against Indiscipline or WAI had been firmly planted in the national spirit. Protesting that the hotel offers a considerably lower exchange rate for the dollar than does the bank, I was allowed to pay a one-day deposit and change the rest of my money at the bank, provided that I could produce a valid currency-exchange stamp on my receipt.

But once in my room, I received a visit from one of the employees I had seen at the reception desk. He said, "If you like, I can help you change your money." I replied that I wanted to avoid trouble for currency violations and, at any rate, could not use my foreign currency without justifying its use on my airport-based declaration. The employee smiled, saying, "No problem, as he produced the hotel cashier's stamp used to validate foreign exchange transactions. I realized that the WAI had a long way to go.

New phases of the campaign are steadily being introduced by Nigeria's military leadership, which sees the establishment of orderly behavior among Nigerians as indispensable for national resurrection. Initially focusing on basics, such as encouraging people to form lines when waiting, the WAI is becoming more ambitious and is bound to point out some of the major contradictions in the country's economy. In its latest phase, General Buhari has launched an attack on economic saboteurs who are involved primarily in illegal currency dealings.

Nigerian television carries frequent warnings against fraud, foreign-currency trafficking, arson and the dastardly acts of those who, through limiting the role of middlemen in the commercial circuit.

Another important element of the campaign is the government's imperative need to increase tax revenues.

One way that this has been attempted is by forcing much of the large parallel economy into legitimacy. The first targets of this drive were the ubiquitous "small boys" and women street vendors, who sell all manner of goods, usually available in stores, from improvised stalls in business areas.

Claiming that these vendors do not pay taxes and that they encourage inflation by hoarding goods, the government has razed most of these stalls and chased the boys out in recent weeks, especially in the central Marina area, where the vendors competed for business with large stores nearby.

French residents of Lagos tell the story of "Rose," a Ghanaian vendor whose stall came to be known as Chez Fauchon (after the exclusive Paris store), because it was the only place in town where fine wines, champagne and other luxury items could be found.

Chez Fauchon was razed twice in recent months, but French residents say that Rose can still be found in the Marina area, where she keeps her goods under heavy plastic sheets, exposing them only to regular customers, who communicate her shifting locations by word of mouth.

The deeply engrained trading ethos of Nigerian society had proven a sturdy obstacle to the pursuit of the War Against Indiscipline.

The arrival of the Supreme Military Council to power in late 1983 was applauded by the bulk

of the population, largely because of the national anguish provoked by the high inflation that characterized the final period of President Shehu Shagari's civilian government.

Military leadership provided the hope that inflation could once again be managed, and indeed, one of General Buhari's first initiatives as head of state was an attempt to control market prices of essential commodities, particularly rice.

The Supreme Military Council learned its first lesson in the resilience of the Nigerian trader well before the WAI had been announced. In the early weeks of the regime, when the government began to fix retail prices by decree, goods simply vanished from the market. Since then, greater success has been achieved in controlling inflation

bribe, a firmly entrenched Nigerian tradition. Although stiff penalties have been imposed for currency violations, the authorities appear to have more than their hands full on this front of the campaign. Recently, the Nigerian singer Fela Ransome Kuti was sentenced to five years' imprisonment for his alleged failure to declare his re-export of £1,600.

The most dramatic measure taken to combat illegal currency traffic was the recall and replacement of all the country's circulating currency, the naira, and the closure of Nigeria's borders, in late April 1984. Lagos residents say that the chief effect of the currency changeover was to inconvenience people and set off a surge in inflation.

Abroad, most holders of naira were, as intended, caught unaware, unable to repatriate their illegally exported currency in time to meet the one-week exchange deadline. Tales of woe were common along the West African coast.

TRAVELER'S NOTEBOOK

among traders who, surprised by the move, lost small and large fortunes in suddenly worthless naira. Market vendors in Lagos used their hoarded naira to clear the shelves of the city's stores, selling the accumulated merchandise only for the new bank notes and at high prices.

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Another important element of the campaign is the government's imperative need to increase tax revenues. One way that this has been attempted is by forcing much of the large parallel economy into legitimacy. The first targets of this drive were the ubiquitous "small boys" and women street vendors, who sell all manner of goods, usually available in stores, from improvised stalls in business areas.

Claiming that these vendors do not pay taxes and that they encourage inflation by hoarding goods, the government has razed most of these stalls and chased the boys out in recent weeks, especially in the central Marina area, where the vendors competed for business with large stores nearby.

French residents of Lagos tell the story of "Rose," a Ghanaian vendor whose stall came to be known as Chez Fauchon (after the exclusive Paris store), because it was the only place in town where fine wines, champagne and other luxury items could be found.

Chez Fauchon was razed twice in recent months, but French residents say that Rose can still be found in the Marina area, where she keeps her goods under heavy plastic sheets, exposing them only to regular customers, who communicate her shifting locations by word of mouth.

Long-time residents of Lagos cite cleanliness and courtesy as the two areas where the government campaign has made the greatest progress. One businessman said: "There is no longer a shoving match at every public elevator. People line up for entry, and those who would cut in face hostile cries of 'WAL WAL.'"

A banker said: "One no longer needs to constantly reach into one's pocket to get people to do their jobs.

Previously, electrical power could be cut off every three days, so that a power company employee could collect a dash for switching your house back on."

A Nigerian newspaper editor reflected a note of dissension against the indiscipline campaign that is gaining popularity among intellectuals. "This campaign has only dealt with the most superficial of this country's problems, and it is disquieting to see it being pursued as the regime's top priority," he said.

— HOWARD FRENCH



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A SPECIAL REPORT ON NIGERIA.

Americans Try to Help Nation Get Back to Its Farming Roots

LAGOS—The Anderson brothers of East Bernard, Texas, have what it takes to attempt an agricultural project in Nigeria: patience.

Off and on since 1978, Everett and Jay Anderson, who are among the biggest rice growers in Texas, have been trying to apply their skills to Nigerian soil. For much of that period, Everett Anderson says, "we've just been twiddling our thumbs."

But the Andersons, whose home operations have been squeezed by low prices, are not ready to despair. They see rich potential in Nigeria, where demand is intense and restrictions on imports have forced local prices far above the world average.

To reduce the country's reliance on imports, Nigeria's government is trying to make agriculture attractive again, both for its own peasants and for skilled foreigners like the Andersons. The government is forcing big local companies to invest in farm projects. It also is at-

tracting a few hardy foreign investors, though most are waiting for Nigeria to transform its rhetoric into action.

"People are scared stiff," said a British executive at one of Nigeria's big manufacturing companies. "So often Nigeria has looked good and then things have gone all wrong."

But Nigerians insist that they cannot afford to let their farm economy go on floundering as they did when oil income was surging.

"We have all learned a lesson," said E.A.O. Shonekan, chairman and managing director of UAC of Nigeria Ltd., an affiliate of Unilever that is returning to its roots in palm oil and other agricultural projects.

Oil wealth gave Nigeria the luxury of importing huge quantities of rice, wheat and other foods that were not part of the traditional diet, dominated by such staples as yam and cassava.

Cheap imports depressed prices,

and many small farmers abandoned cash crops to slide back into

subsistence farming. Millions of farm workers streamed to the cities.

In the 1960s, Nigeria was self-sufficient in food and a major exporter of palm oil, cocoa, peanuts, cotton and rubber. Now the country imports both palm oil and peanuts. Food production has increased too slowly to keep up with population growth. On a per capita basis, food output has fallen 15 percent since 1969, according to a recent estimate by the U.S. Agriculture Department.

Alarmed by the trend, Nigerian governments in the 1970s mounted such campaigns as Operation Feed the Nation (OFN) and the Green Revolution. The results were abysmal.

"Charges of squandermania have been leveled against both the OFN and the Green Revolution program with some justification," Nigeria's new agriculture minister, Buka Shabu, said in a speech earlier this year. "That, however, was the oil-boom syndrome common to all government activities."

The current government is still throwing money at agriculture, which accounts for 18 percent of the capital-spending budget for 1985, but it promises to do so more efficiently.

Toward that end, the government is trying to streamline agricultural agencies and state-owned agricultural companies, many of which have suffered staggering losses in recent years. Mr. Shabu said the government would simply close down the National Livestock Production Co., which had total losses of 21.7 million naira (\$26 million at the official exchange rate) between 1979 and 1983.

Seven other state-owned companies are to be sold to private investors. Others remain under review.

The government also is cracking down on corruption. Investigations of the Benin-Owene River Basin Development Authority, for instance, produced "some shocking revelations," Mr. Shabu said, and some top officials have been detained.

In addition, the government is examining the usefulness of marketing boards, which act as middlemen between farmers and the markets. Some food companies want to buy directly from farmers and hope the government will eliminate the boards.

Banks are under orders to increase their lending to agricultural projects, and the government is studying a proposal that all local companies with annual sales of more than 5 million naira are required to invest 10 percent of their sales in agriculture.

To lure private investment into big projects, the government recently set up an Agricultural Investment Bureau.

For now, however, the government's most successful impetus to farming is its import restrictions, which keep prices high. Everett Anderson figures that over the last 10 years Nigerian rice prices have averaged two or three times the prevailing international level. Local corn prices are about five times higher than the cost of imports.

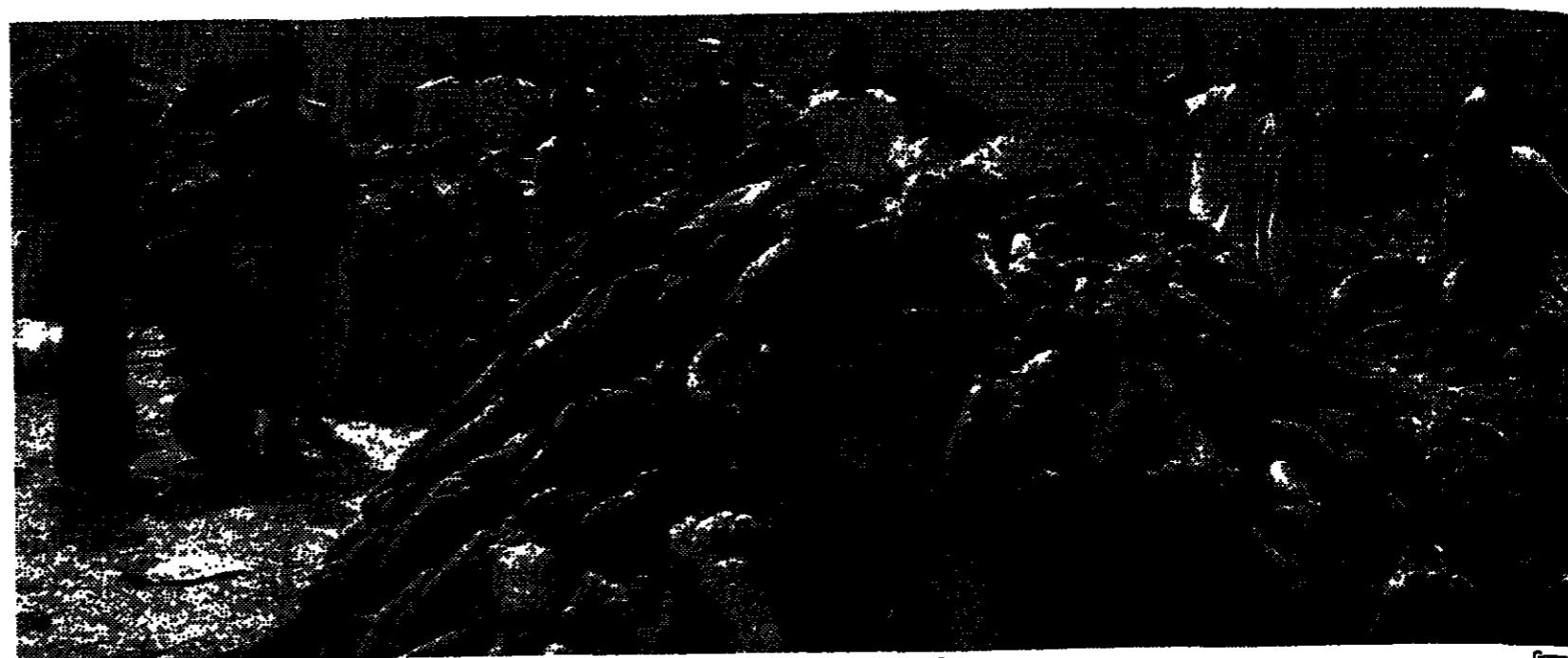
Still, the obstacles are daunting. Businessmen say that they need to go to half a dozen agencies for approvals and that functionaries do not seem aware that the government wants to encourage investment.

Bureaucracy also makes it difficult to import machinery and other vital supplies. Nigeria's poultry industry was devastated last year because farmers could not import enough corn to feed their chickens.

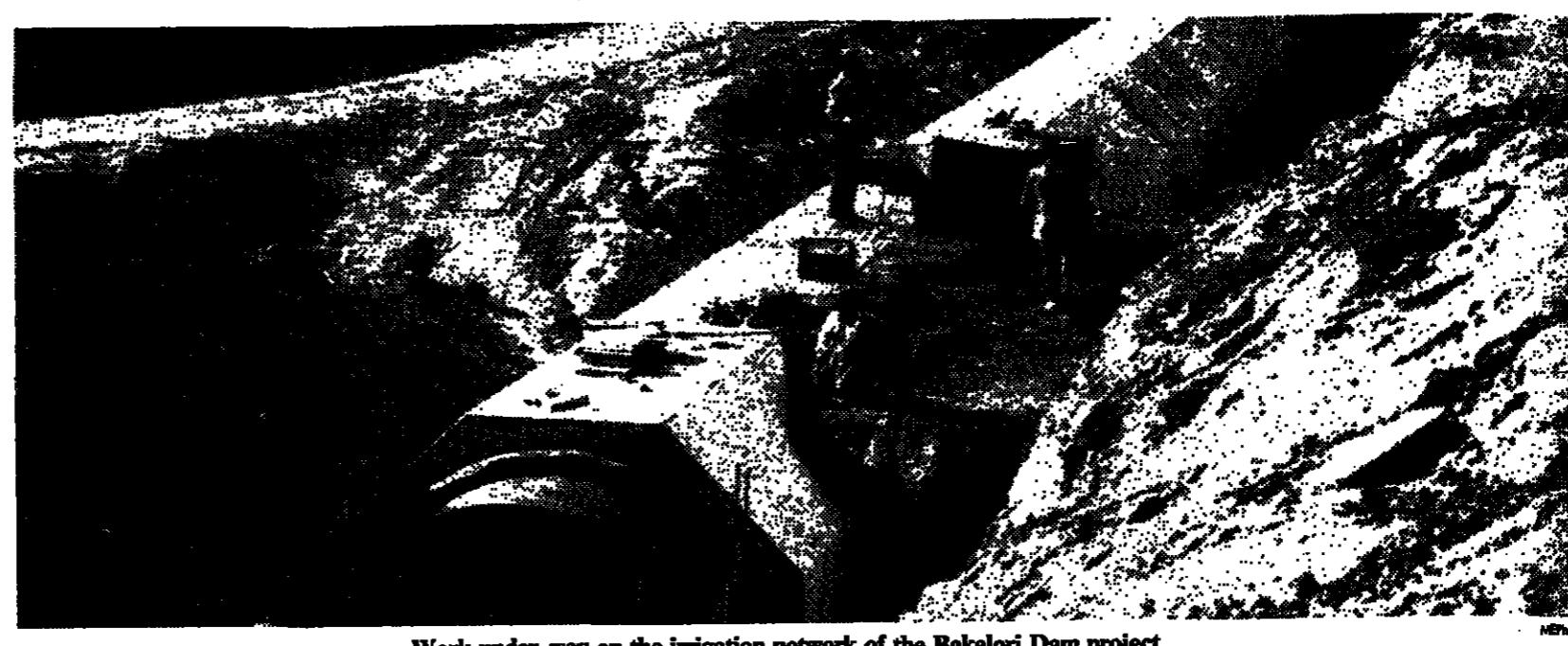
Obtaining clear title to land is notoriously complicated. "Everybody in the village has to okay it," a foreign investor said.

Currency regulations mean that it is often impossible to repatriate profits, and the overvalued naira prices Nigerian crops out of export markets.

Labor is scarce in the fertile north of Nigeria. To keep Nigerians on the farm, the government needs to provide more amenities



Nigerian farmers and the cassava harvest.



Work under way on the irrigation network of the Bakalori Dam project.

such as electricity and health care, but funds are short now. Companies that want to start projects often have to build their own roads and provide their own electric generators.

In the face of all these problems, Nigeria can point to a growing list of projects.

Some oil companies, among them the local affiliates of Texaco Inc., Royal Dutch Shell and Cie. Francaise des Petroles, are investing in small agricultural projects, mainly as a public relations exercise. Over the last 10 years, Texaco has sunk about \$5 million into an operation that grows cassava and

then crushes and ferments it into gari, a grainy flour that serves as a staple for the poor. Other oil companies are under pressure to start similar projects.

Assembly and trading companies with a big stake in Nigeria have little choice but to heed the call for agricultural investment.

They rely on import licenses, and the government can withhold these from companies that do not cooperate. Such companies also have local currency that cannot be sent overseas and must be invested somehow.

A.G. Leventis & Co., a widely diversified concern run by a Cypri-

ot family, is growing corn to be used in a planned fructose plant, which would provide sweetener for Leventis soft drinks.

The Anderson brothers have teamed up with Leventis on certain corn and rice projects.

Leventis also is expanding its pig farms and plans to produce citrus fruit and soybeans. Thus, an old-line trading company is turning itself into an integrated operation stretching from the soil to the supermarket shelf.

UAC of Africa, Nigeria's biggest company, is investing in timberland and palm-oil plantations. The company also plans to raise cattle

and pigs, and may go into poultry as well, Mr. Shonekan said.

Another company looking at further farm-related investments is the Geneva-based Vulcan Inlays Group.

The company already grows fruit and vegetables and produces tomato and mango juice.

Nigerian Tobacco Co., a unit of London-based BAT Industries PLC that has grown tobacco in Nigeria since the 1930s, is experiencing with corn and cassava.

John Brewis, NTC's managing director, says corn appears to have the best prospects.

Several local brewers are considering the use of locally grown sor-

ghum instead of imported barley, but they worry that the taste will suffer. Experiments in growing barley in Nigeria have not been encouraging.

All concerned, including the agriculture minister, acknowledge that reviving Nigerian farming is a very long-term project.

"If they could get rid of the bureaucratic red tape," said an American banker with long experience here, "it still would take 10 to 20 years to get back to where they were in the mid-1960s." That, he added, would be a signal achievement.

—BOB HAGERTY



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Agriculture, Oil's Poor Cousin, Gets Rehabilitated

LAGOS — Nigeria's external trade situation is critical, and measures to restrain imports and generate new products are essential to recovery.

On the export side, there is oil, more than 90 percent of the country's export revenue. Imports include foodstuffs, consumer goods and a wide range of items needed to fuel the country's relatively large but highly dependent industrial sector.

With a population growing by as much as 3.4 percent a year, a weak oil market and the medium-term prospect of a depletion of commercially exploitable oil reserves, Nigeria's military leadership needs to move quickly.

Most analysts agree that the most important step to be taken is the revitalization of the nation's agricultural sector. Like most of its neighbors, Nigeria once lived by its agriculture. It was the world's largest producer (and exporter) of palm oil and ranked as a major supplier of a number of other commodities, including cocoa, peanuts and rubber.

Agriculture has suffered badly from the country's preoccupation with oil. According to Ifrah Hussen, the World Bank representa-

tive in Nigeria, "the government used its windfall profits during the oil-boom years on physical infrastructure and industrial projects, particularly in urban areas, driving up wages for workers, while wages in the agricultural sector stagnated. Meanwhile, Nigeria's import bill leaped from between 2 billion and 3 billion naira to more than 20 billion naira to more than 20 billion naira in 1980, creating extraordinary opportunities for traders in a society already given to commerce." (In 1980, 2 billion naira was officially worth \$3.5 billion.)

The net result of these factors was to draw both young and educated Nigerians away from agriculture and into industry and commerce.

So long as the market for oil remained firm, the effects of Nigeria's agricultural decline were not painful. However, the lack of investment in the sector came to be sorely felt once the bottom fell out of the oil market. Nigeria entered the 1980s importing nearly \$100 million of wheat every year, with similar amounts spent on rice. New food habits nurtured by the previous years proved hard to break, and successive governments have realized that any disruption in the availability of bread and rice might threaten stability.

With a debt-service ratio estimated at 44 percent in 1984, the Obasanjo government is moving to restructure the country's economy by severely limiting imports and relaunching agriculture. Observers agree that modest signs of the rehabilitation of agriculture are already becoming apparent and this trend is likely to continue under the combined effects of urban unemployment, which is forcing more and more people back to the land, and both public and private investment in agriculture and rural development.

"Nigeria's imports have already shrunk to one-quarter of their levels of two years ago following an identical trend in export revenues," a diplomat said. Foreign-exchange earnings have fallen from approximately \$27 billion at the start of the decade to a projected \$9 billion to \$10 billion in 1985, and import licenses have been reduced to about a quarter of their level before the oil crisis.

"It finally appears that a Nigerian government has realized that rehabilitation of agriculture is essential to the rehabilitation of the economy," a Lagos banker said.

The government's determination can be seen in a number of recent

decisions, such as obliging banks to allocate between 6 and 10 percent of their loans to the agricultural sector, allowing up to 50-percent foreign equity in agro-industrial ventures (foreign equity is limited to 40 percent in most sectors) and a reduction of foreign-exchange allocations for imported foods.

Diplomats say that with a greatly reduced financial base, the federal government is "spending as much, in constant naira, in the 1985 budget on agriculture and rural development as it did at the height of the oil boom."

One expert said that "although per-capita decline in agricultural production has been halted, self-sufficiency cannot be reached as long as the artificially strong naira acts as a disincentive to Nigerian farmers to produce."

Nigerian industry boasts no significant exports. On the contrary, the country's industrial sector is slated to be the largest recipient of the 3.15 billion naira that the government has allotted for imports, taking 58 percent of this outlay.

Critics of Nigerian industrial policy, as it has evolved under successive governments, point to the predominance of industries that are highly reliant on foreign-sourced

raw materials. Industry is currently estimated to be operating at under 30 percent of capacity.

Bankers in Lagos say that "companies that approach 30 percent capacity production have only been able to do so by running down inventory." It is widely feared that with the tight squeeze on foreign-currency allotments, many industries will be forced to close, increasing the ranks of the unemployed by the thousands.

Bankers and industrialists say that an International Monetary Fund loan would bring with it the liberalization of trade, allowing the market to determine who imports what, thus eliminating the corruption and inefficiency associated with the practice of import licensing. It is argued that under these conditions, only the companies that are net earners of foreign exchange would be able to compete effectively for access to available resources.

One industrialist complained that although the government's tough restrictions on access to foreign exchange "is weeding out a lot of unproductive industries, it is threatening the minority of truly viable companies as well."

—HOWARD FRENCH



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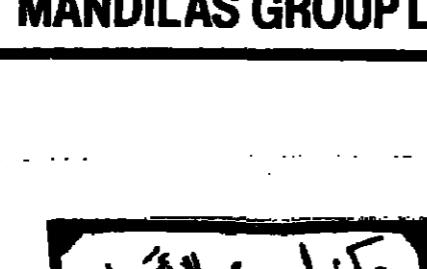
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Hotter Competition Challenges Traditional Banking Markets

By Patrick Smith

LONDON — After a decade of booming balance sheets Africa's fastest-growing banking sector is in the throes of a major shake-up.

Increased competition is challenging the traditional market shares of the bigger banks while government demands for more financial discipline mean tighter controls on credit and money supply. All this is set against a further 30-percent drop in imports this year, which will cut deeper into the banks' lucrative earnings from trade finance.

Nigeria's banks have fared much better than the rest of the economy during the current recession, and as the chief executive of Nigeria's biggest commercial bank — Union Bank — Paul Ogwuma pointed out, "the return on capital in Nigerian banks is still much higher than in Europe or the U.S.A." Mr. Ogwuma was speaking after the publication of Union Bank's latest annual report, which showed a decline in the bank's profits from \$4.9 million (\$78.3 million) to \$12.2 million.

Banks should be prepared to see a drop of around 15 percent in their profits this year, Mr. Ogwuma said, but he is confident that when Nigerian banks come out of the recession they will be giving their customers better service and playing a more effective role in the national economy.

Internationally Nigeria's banking sector still looks healthy — its big three commercial banks are moving up the roster of the world's biggest 500 banks as drawn up by The Banker journal. And international banks still are seeking partnerships with local banking interests in Nigeria. America's Citicorp banking group re-established itself in Nigeria last year, having left the country when the government introduced indigenization laws in the 1970s.

With an aggressive marketing policy and the introduction of new banking technology, financial circles in Lagos believe Citicorp's Nigerian associate bank will start taking customers away from the four or five biggest commercial banks. But there are plenty of opportunities for expansion, since Nigeria is underbanked with about one bank branch for every 100,000 Nigerians.

But under present conditions of recession the emphasis will be on improving customer services both for Nigeria's 26 commercial banks and its 11 merchant banks.

For the commercial banks this will mean the increasing computerization of operations and the setting up of an improved branch-to-branch communications network as well as building new branches in the more remote areas of the country.

Merchant banks will have to concentrate on improving their range of corporate financial services like equity issues, investment advice, company flotation, stock market quotation, credit facilities and loan syndication.

Both merchant and commercial banks have been hit by successive years of import cuts and the corresponding loss of their trade finance business, although the merchant banks are confident of increasing their share of the foreign-trade business.

Under the new system of foreign-exchange allocations from the Central Bank of Nigeria, the banks compete with each other for the limited amount of foreign exchange — about \$4 billion — available for imports this year.

Banks will be dependent on how many letters of credit they can get confirmed from their foreign correspondents, and in this area the merchant banks claim greater efficiency over the larger and sometimes unwieldy commercial banks. But as access to short-term credit remains tight for importers in Nigeria, some banks are looking at a possible increase in countertrade business.

Nigeria recently concluded a \$1-billion countertrade deal swapping crude oil for raw materials and manufactured goods from Brazil.

It is talk of further private-sector countertrade deals, and some bankers see such deals as an effective way to increase imported supplies without disrupting the government's tight foreign-exchange budgeting.

In the financial counterpart to its much publicized war against indiscipline, the government has adopted much more rigorous standards of public accounting. State government and government-owned corporations have been directed to balance their budgets, while the public-sector borrowing requirement has been cut dramatically and Nigeria's banks have been issued with tough new directives on the growth of private-sector credit. The government-controlled central bank is monitoring the private-sector banking activities much more closely.

The central bank's watchdog role consists of issuing policy guidelines to the banking sector in line with the government's broad economic



A merchant banker at work in Lagos.

of the short-term trade arrears, and speakers at a recent conference on economic policy at Ibadan University said that Nigerian bankers should join their government's team in negotiations with the International Monetary Fund. So far, the private-sector bankers have provided government with financial information rather than play an active advisory role.

While the banks are sponsoring several new public-relations campaigns and want to take a higher profile in the society, the government seems likely to support this development, according to one senior Lagos banker. "Traditionally, military governments in Nigeria

have been much keener in bringing professionals from the private sector as the military's cult of efficiency tends to override vested interests in the civil service," he said.

Government plans to privatize many of Nigeria's state-owned corporations will call for a major involvement from the banks, as will the government's campaign to attract new private investment — both domestic and foreign — into agriculture and industries based on local resources in Nigeria. The banks also will play a major role in the government's operation to refinance debts of some tens of millions of naira incurred by state government to numerous construction companies.

The Coming Debt-Service Crisis

By Richard Syng

LAGOS — Nigeria is entering the 1985-1987 period of high debt-service obligations with little hope of substantial foreign exchange earnings from oil to enable it to withstand the shock. If oil earnings do not increase significantly, it is possible that the debt-service ratio will rise above the 50-percent mark, causing further problems in the day-to-day running of the economy.

In his December budget statement, the head of state, Major General Mohammed Buhari, showed the military government's intention to service Nigeria's external debt commitments in 1985 when he put the cost of debt servicing for the year at 3.5 billion naira (\$4.35 billion). This is around 44 percent of Nigeria's projected foreign exchange earnings, a sharp rise in the debt-service ratio from 24 percent in 1984 and 17.5 percent in 1983.

Bankers assume that in the absence of an International Monetary Fund loan and stabilization program, Nigeria will attempt to put a ceiling on its debt servicing by delaying its verification of claims for short-term debt, the one area of its commitments that the government can tailor according to the availability of funds.

Nigeria's debts fall into two categories: the short-term and the medium- to long-term. In the latter, Nigeria has not drawn on all the loan commitments that have been made and the level of debt is thought to be little more than \$10 billion, which is not unduly high. In the short-term category, claims have been made by international exporters in excess of \$8 billion. If this is verified, Nigeria is committed to amortizing it from the third quarter of next year, the point at which the "bunching" of the country's debt-service commitments will be heaviest.

In public statements, the government has set its face against new borrowing in an effort to show that Nigeria can pay its way in the world. This is where the country's need to buy time to repay its existing debts comes into sharper focus. The country has no alternative but to borrow more, and heavily, if it is to lay the basis of a more balanced economy.

Any substantial foreign borrowing for the kinds of projects that Nigeria is planning, such as a new \$500-million oil refinery, depends heavily on support from Western export credit agencies, which in the past two years have refused cover pending a Nigerian agreement with the IMF. With commercial banks reluctant to confirm letters of credit for Nigeria and with export credit cover limited, there is increasing pressure on Nigeria to consider using direct oil sales to guarantee credit lines.

There is little question that a deal with the IMF would bring substantial relief to Nigeria's external financial position, but the political risks inherent in the IMF's conditions have created what now appears to be an insuperable stumbling block

Any substantial foreign borrowing for the kinds of projects that Nigeria is planning, such as a new \$500-million oil refinery, depends heavily on support from Western export credit agencies.

between the two sides. The military government is determined to display its ability to go it alone with its own austerity program.

The government's internal debts are also high. The government proposes to issue naira promissory notes to be redeemed over a five-year period, but bankers want the government to pay interest on these debts.

The methods of paying internal debts and the short-term trade debts to Nigeria's overseas suppliers are now being thrashed out by Finance Ministry officials. The delays experienced by local contractors and overseas suppliers are frustrating, but without an upturn in the country's oil earnings, there is unlikely to be any quick relief at hand.

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A SPECIAL REPORT ON NIGERIA

Military Leadership Changes the Face of Federalized System

LAGOS — Ever since the end of the Biafran war 15 years ago, political theorists and constitutional lawyers have struggled long and hard to devise a formula for the distribution of power within Nigeria. They sought a system that on the one hand would encompass the demand for national unity but that on the other would accommodate the specific needs of one of the most diverse countries in Africa.

With more than 300 language groups coexisting in Nigeria without spawning a serious separatist movement and with a potentially strong base of oil revenues, Nigerians argue that national unity and economic strength can go hand in hand and they say that they owe it to the continent to try to prove it. Foreigners who were surprised at the speed of reconciliation after the war failed to understand the widespread feeling that Nigeria should never again be brought to the brink of destruction through separation. The citizens of the biggest country in Africa — with an estimated population of about 100 million — see a continent that is ravaged by secessionist movements and crippled by economic adversity.

The division of Nigeria into regions on the old colonial-style unitary system of government was judged a failure after the civil war, and the first tentative moves toward federalism were made.

First, 12 states were carved out of the old regions, the argument

being that the states should reflect the real diversity of Nigeria's peoples and not just the stereotyped division of the country into northerners, westerners and easterners. But the 12-state system of federalism was unsatisfactory, so the head of state, Major General Murtala Mohammed, ordered that a further seven states should be drawn up in addition to a neutral territory in the center of the country that would become the site of Abuja, the country's new administrative capital.

The 1979 constitution, which remains in force despite the suspension of clauses relating to the operations of party political government, laid down a categorical division of powers between state and federal government. The state government is responsible for primary education, health services, agricultural extension work and road construction. State governments can sponsor scientific research and undertake economic development programs of any kind except mining.

As the second tier of government, the state governments are responsible for the third tier — hundreds of local government authorities dotted about the country — and any matters concerning relations with Nigeria's still powerful traditional rulers.

Except in a state of emergency, the 1979 constitution granted the head of state no formal powers over the state government, but the re-



Nigerians take their cattle to a deep well.

turn of military government has restructured this relationship.

State governments do retain their responsibilities but the military governors in charge of each state are told to regard their job as a military posting — that is a posting that can be reassigned without notice. The ruling body in Nigeria, the 20-member Supreme Military Council, also symbolically directed that the military governors should not refer to themselves as "your excellency." In contrast, it took a prolonged political dispute to impeach a governor of Kaduna state under the civilian rulers, but last year, when the Supreme Military Council found cause to dismiss a governor of Cross River State, notice of his dismissal and the name of his replacement were announced the same day.

At the same time, the council has pushed some more responsibilities onto the state governments. The unwieldy River Basin development authorities previously spanning two or three states have been replaced by statewide agricultural development authorities. And in bitter memory of the financial profligacy of some civilian state governments, the council has directed that all state governments should produce balanced budgets and they have been warned by the finance minister, Onaolapo Soley, that the federal government will

not bail them out as it did with its emergency loans last year.

The council has decided not to change the system of revenue allocation established under civilian rule, which gives the federal government 55 percent of all accrued revenues. The state governments get 30 percent, the local governments get 10 percent and the remainder is divided among the mineral-producing states.

The states are allocated revenues

on the basis of minimum responsibilities, which are considered to be equal for all states, and on the size of their populations, their efforts to raise revenues independently of federal government, and on a complex formula that assesses the social development of each state.

Through its control of the purse strings, the federal government has a vital hold over state governments, which, despite their huge investments in industrial projects, cannot survive independently of federal revenues.

Apart from being the overall director of economic policy, the federal government controls the Nigerian police, which constitutes a single force throughout the federation. The federal government is responsible for the operational use of the armed forces.

The only serious threat to the federal government since the return of the military to power came in March last year when a band of

Import Surge Buoyed Shippers Despite Port Traffic Logjam

LAGOS — Nigeria is experiencing a revival in its import trade after a lean period in 1984, when the flow of goods fell to a trickle.

The upsurge in traffic, particularly at Apapa port in Lagos, has some shipping agencies fearful of a return to the dockside chaos that plagued Nigeria in the 1970s, after the first oil boom.

"There is a serious buildup of pressure on the port facilities," said the managing director of a European shipping line, "and evacuation of goods from the port is very slow." Containers have been most affected.

Among the causes of the Nigerian Ports Authority's organizational problems are the following: the simultaneous arrival of delayed 1984 imports, a million tons of fertilizer for the coming planting season, large amounts of food aid for Chad and Niger, and Nigeria's own food imports. Each category of goods is deemed urgent.

But in spite of the dockside difficulties, the shipping lines serving Nigeria are delighted to see a revival of the trade to Africa's biggest market. Traffic through Nigerian ports in 1984 was little over half that of the peak year of 1980, when goods totaling 20 million tons were handled.

The shakeout in the trade has already caused many smaller ship operators to suspend regular sailings and some are expected to drop out altogether. The biggest casualty in 1984 was Italy's Medafrika line, which collapsed in October after becoming overexposed in the Nigerian market.

Nigeria accounted for up to 80 percent of Medafrika's West African business and the line once operated 50 ships serving the region. But its collapse did little to check competitors, who still had to cut services to a minimum.

In addition to the stringent cutback in imports imposed by the military government in 1984, the shipping lines were hurt by the sudden switch in import inspection agencies in the fourth quarter of the year. Nigeria had for years used the services of Switzerland's Societe Generale de Surveillance. Its replacement by a range of largely inexperienced inspection agencies around the world caused turmoil. For exporters trying to ship goods to Nigeria before the expiry of their import licenses at the end of 1984,

Political commentators now say that the states have had to adjust to reality, but in the process of doing so they are having to walk an uneasy tightrope between national economic policy implementation and local demands.

— PATRICK SMITH

licenses and, more recently, gave a second two-month extension to the end of April.

Although the two extensions have given manufacturers and forwarders a much-needed breathing space, shippers are urging exporters not to become complacent.

A spokesman for one line said, "We expect another rush on space in April, similar to our position in February, during which we were inundated and fully booked three of four vessels ahead."

The new inspection agencies have had to learn about Nigerian trade in the midst of one of the busiest periods in recent years.

Some exporters in Europe have complained about the efficiency of

aging effects of his "open door" regime on the nation's finances have provoked the current tight controls. Licensing and inspection are now required for nearly every category of goods.

The shipping lines that have withstood the battering of the Nigerian recession best are those that are grouped in the various conference lines, such as the U.K. West Africa Lines and the Continental Europe West Africa Conference. Some independent operators, however, have survived because of the highly specialized services they provide.

Bratian's OT Africa Line, a leading operator of roll-on/roll-off services, has recently experimented

The shipping lines that have withstood the battering of the recession best are those that are grouped in the various conference lines, such as the U.K. West Africa Lines and the Continental Europe West Africa Conference. Some independent operators have survived because of the specialized services they provide.

the new agencies, although experienced traders have commended them for adapting to Nigerian rules in such a brief period.

In Britain alone, Cetcan International is inspecting more than 100 consignments a day. At the beginning of this month, there were still more than 5,000 consignments awaiting the issue of "clean reports of findings" (covering price, quality and legality) before they could be shipped, leaving many exporters worried that they might miss the end-of-April deadline.

The risk of goods literally "missing the boat" because of the volatility of Nigeria's trading regulations is one that shipping lines now have to take as a matter of course. Each new government measure is intended to simplify and rationalize existing procedures, but exporters, forwarders and shipping lines have, over the years, seen major shifts in policy on import licensing and inspection.

From the increasingly heavy restrictions of the last military government in the 1970s, Nigeria swung to an almost complete lifting of import licensing under the civilian government of former President Shehu Shagari, but the dam-

with loading cargo on flat carriers that are adaptable to varying port conditions and can be moved with equipment that is carried on the ships themselves. West Germany's Baco Line also offers a unique service, with barges carried on board its ships for rapid discharge from mid-harbor moorings.

Shippers' associations note that the West African trade is resistant to a complete containerization of cargo, in view of the handling problems at the ports.

With Nigeria's 1984 orders carried over into this year and some cargoes beginning to arrive on newly issued 1985 licenses, there is now a good chance that a reasonably consistent level of traffic will be sustained this year. The exceptional cargoes of fertilizers, food aid and commercial food supplies have also added to the shipping lines' gains.

While benefiting from the present boom, the shippers are nevertheless aware that the prospect for Nigerian trade in the next two years remain uncertain.

The staying power of the lines is still being tested to the limit, but Nigeria remains a highly attractive market with high potential.

— RICHARD SYNGE

CONTRIBUTORS

HOWARD FRENCH is a journalist based in Abidjan, Ivory Coast, who contributes to The Washington Post, The Economist and other publications.

JOHN M. GOSHKO is a diplomatic reporter for The Washington Post.

BOB HAGERTY is the International Herald Tribune's staff correspondent in London.

PATRICK SMITH is a Nigeria correspondent for the London-based Africa Economic Digest. He contributes regularly to the BBC African Services, the New African, West Africa and Africa Business International.

RICHARD SYNGE is West Africa editor of Africa Economic Digest.

ALEXANDER THOMSON, a British journalist based in Abidjan, specializes in African affairs.

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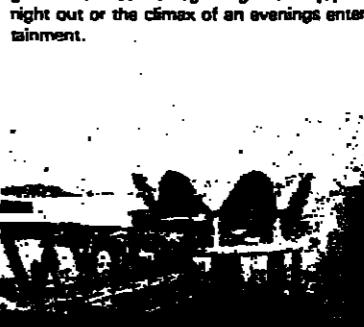
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ARTS / LEISURE

Saxophonist Joe Farrell: Bouncing Back After Nights Under the Bridge

By Michael Zwein

International Herald Tribune

PARIS — In the summer of 1967, Joe Farrell walked up to Vin Jones in Pookie's Pub in Greenwich Village and said: "I'd like to play in your band." He used to do that sort of thing. He had a lot of nerve.

They formed a trio with Jimmy Garrison, who had been John Coltrane's drummer and bassist until his death a month earlier. Coltrane was a hard act for an unknown 30-year-old Italian-American to follow. A customer in a Philadelphia club called Farrell a "little devil."

Although over the next 10 years he won three Down Beat magazine awards — on tenor and soprano saxophone and flute — and was a key figure in Chick Corea's high-impact band Return to Forever, nowhere along the line he lost his nerve. He lost everything. In December 1983, he found himself going under a bridge in North Hollywood.

After having studied the clarinet for two years, Farrell switched to oboe at the age of 13 because

"I liked the way it looked." By the 16 he was playing it mostly "to cop the ladies." He listened to Johnny Griffin and Ira Sullivan around his native Chicago, only gradually realizing that he was playing jazz and that it was important to him.

After a year with Maynard Ferguson, he entered "the bleak '60s." It was one dumb gig after another — weddings, bar mitzvahs, anniversaries and showers on Long Island, four hours of continuous cornball music with four-bar modulations between songs. Lester Lanin, Meyer Davis — he played with them all.

He learned the oboe. Anybody who could read well on four instruments could make real money in those days. Farrell was sitting with his oboe in a 60-piece orchestra accompanying Tony Bennett. Guess who had the first note. All alone. The baton came down. Silence. It came down again. They were all looking at him. He made it on the sixth take.

He earned up to \$10,000 a month, three record dates a day, blew with Elvin Jones at night. He bought a Manhattan brownstone.

His fluid improvisations and personal sound on flute or soprano sax, playing the melody in unison with Corea's piano, were central to Return to Forever's successful and powerful fusion in the early '70s. He formed his own group, recorded albums that sold, played with Woody Herman, Thad Jones/Mel Lewis, Herbie Hancock, John McLaughlin, Santana, Al Kooper.

"But then I stopped looking for the contractor and started looking for the dealer. I moved to Los Angeles and thought I could make it bigger out there but it didn't happen. I was concentrating on something else. I was totally out of control."

"I was hanging out with this lady who was into gambling — gorgeous lady. We used to go to Gardena, California, and play poker. It's just like dope. We'd sit at the table for three days without stopping except to go to the bathroom or when all the money was gone. It's a losing proposition."

He sold the townhouse, his wife of 16 years divorced him, he pawned one instrument after another, the "gorgeous lady" dropped to less than 100 pounds. One day he found himself sleeping alone under the bridge.

He pulled himself together. Last year he toured Europe with the pianist Joanne Brackeen. He formed a new quartet with an aggressive, hungry young rhythm section, and they are working — just a Tuesday here and a weekend there around Los Angeles, but they have an agent and a week in the prestigious New York club Lush Life next month: "I guess it's called a comeback."

Chain-smoking ("I can't give up everything"), he speaks with the same sort of warm, volatile intensity with which he plays. "It's amazing, brainwaves or something, you get what you give. I started to practice the flute again and a Japanese manufacturer gave me a \$4,000 flute. A photographer gave me \$500 worth of publicity photos I couldn't afford to buy. A record I made years ago in Europe is finally being released in the States. Things just started to come my way again."

"I wake up around seven, take a shower, get dressed, eat breakfast, and then I go out and hike in the hills, walk on the beach — whatever. I just think about what's exactly in front of me. I do what I have to do."

Joe Farrell/Woody Shaw Quintet: Palermo, Italy, March 14; Perugia, March 15; Reggio Emilia, March 16; Tarrasa, Spain, March 17; Madrid, March 18; Marburg,

Christian Rose
Joe Farrell**Italian Designers Forsake Macho Woman**

By Herb Dorsey

International Herald Tribune

MILAN — The fashion pendulum is swinging sharply back in Milan, marking the end of the macho woman, as the ready-to-wear winter collections this week

MILAN FASHIONS

demonstrate. Where last year there was nothing but pants, this season is all about Etc.

Milan designers, long famous for their deluxe sportswear, are branching into the so-called "new couture" as if to show that they can compete with Paris. So far this is a season of elaborate cutting and draping, fancy fabrics and a large-scale fad for evening wear — all but unknown here not so long ago.

Color is the next most important story, in a logical follow-up on last spring's color explosion. One has only to see the windows in New York, Paris and Milan, bursting with pink (a winner), turquoise and yellow, to know that color is here to stay a while.

The silhouette is still strong, but droopier, rounded shoulders have replaced the superwoman blockbuster look. Hemlines are a tie-between above-the-knee and dragging-to-the-ankle. Gianfranco Ferré did both, with long coats over short skirts. Legs are interesting: either solid-color, including red and purple at Krizia, or patterned, with Op Art waves at Ferre. Shoes are divided between flat crépe soles and spiky heels.

The impeccable hairdos, makeup and accessories, including lots of gloves, contribute to the new-country feeling. There are still plenty of pants around, but they are skinny, tight, ski-wear variety, which also turned up for evening in black velvet, satin or gold lame. The three most important influences so far don't know what it says and we'll just have to wait and see," Davis, 76, said in the April issue of the Ladies Home Journal.

She said she does not expect to be treated like her frequent co-star, Joan Crawford, in "Mommy Dearest," an expose by that actress' adopted daughter, Christina.

"My Mother's Keeper," by Davis' daughter, Barbara, is scheduled to be published in May by William Morrow.

If Gianni Versace would only forget about boots, which look tacky outside winter resorts, he would have an almost perfect collection, whose main merit is that it is strongly focused. These clothes are definitely not for career women

but for those whose lives revolve around wealth.

Versace has done his homework. From suits to evening dresses, the collection shows research on cuts and techniques. Lynn Mandulis, president of the Martha luxury boutiques in New York and Palm Beach, said: "Versace's is a very young and modern approach to important dressing. I liked it very much because he is talking to the woman who really wants to dress up, and he does it without being pompos."

Using a lot of velvet, Versace showed opulent suits topped by three-quarter-length coats. Dots, from pinpoint to dollar-sized, were everywhere, including on black velvet pumps. One of his most interesting ideas was butterfly collars, big and wide and framing the face.

He showed them on coats and on long satin evening dresses. He also mixed bright and dark colors, such as deep claret with bright blue. His evening look is distinctly on the romantic side: crépe blouses sliding off black lace blouses, and a strong Klimt inspiration when it came to prints and embroidery.

Ferre is a serious designer who wants to be taken seriously, which can be good and bad. The good part is that he is the closest in Milan to delivering beautifully made, new-couture clothes. The bad part is that he can come on a bit heavy, not to say stuffy.

He handled the long colored coats with ease, and delivered the best chemise dress in Milan: Made of purple crépe, it had a floating elegant back. He showed a lot of color, including bright short coats — red, purple, green or yellow — over gray suits that looked like leftovers from the Chinese Cultural Revolution.

Like Versace, he paid a lot of attention to the neck, with sculptural taffeta scarves in bright turquoise draped over black dresses. Pants ranged from cropped and casual to full-flowing. Many were high-waisted, giving women an extra-leggy look. The best part of the collection was the coats with drawstring backs.

Mariuccia Mandelli, who designs the Krizia collection, showed the strongest square shoulders in town. Her suits were sharp and



Evening dress of black lace under crepe by Versace. Charlie Gerl

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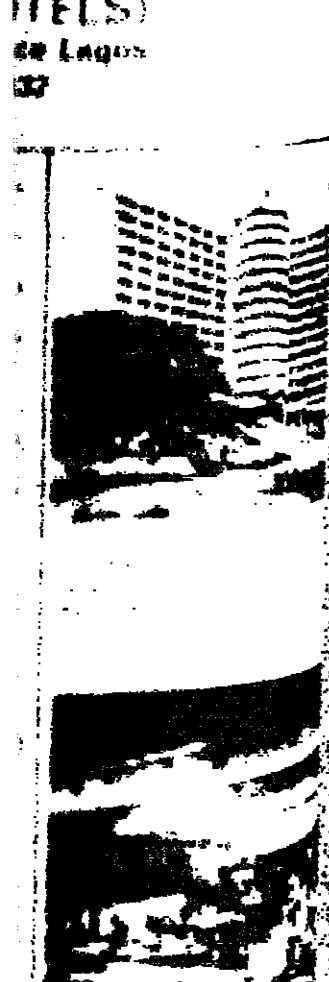
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NYSE Most Actives									
Vol.	High	Low	Last	Chg.					
Philip Morris	47.62	46.94	46.94	-1.14					
Textron	14.62	14.50	14.50	+0.02					
Schlitz	14.14	14.00	14.00	+0.00					
Alcoa	13.65	13.50	13.50	+0.05					
IBM	13.50	13.25	13.25	+0.25					
AT&T	13.47	13.25	13.25	+0.12					
Motorola	13.25	13.00	13.00	+0.10					
Nestle	13.02	12.75	12.75	+0.25					
Exxon	12.95	12.75	12.75	+0.10					
ITT Int'l	12.75	12.50	12.50	+0.05					
NiSem	12.25	11.75	11.75	+0.10					

Dow Jones Averages									
Open	High	Low	Last	Chg.					
Indus	1,277.72	1,268.50	1,268.50	-1.11					
Trans	1,277.72	1,268.50	1,268.50	-1.11					
Util	1,277.72	1,268.50	1,268.50	-1.11					
Comp	513.61	512.74	511.59	+1.05					

NYSE Index									
High	Low	Close	3 P.M.						
Composite	104.24	103.82	103.82	-0.25					
Industrials	103.15	102.87	102.87	-0.28					
Trans.	103.42	103.23	103.23	-0.19					
Utilities	107.92	107.63	107.63	-0.29					
Finance	107.92	107.63	107.63	-0.29					

Monday's NYSE Closing									
Open	High	Low	Last	Chg.					
Indus	1,277.72	1,268.50	1,268.50	-1.11					
Trans.	1,277.72	1,268.50	1,268.50	-1.11					
Util	1,277.72	1,268.50	1,268.50	-1.11					
Comp	513.61	512.74	511.59	+1.05					

Odd-Lot Trading in N.Y.									
Buy	Sales	\$/Share							
March 8	167,649	475,351	1.245						
March 9	181,715	474,996	1.242						
March 10	178,420	474,996	1.247						
March 11	203,679	524,963	1.278						

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trade elsewhere.
Via The Associated Press

AMEX Diaries									
Class	P/TW.								
Advanced	245								
Declined	245								
Unchanged	245								
Total Issues	245								
New Highs	245								
New Lows	245								

NASDAQ Index									
Week	Year	Class	High	Low	Close	Avg			
2022	2014	210.45	202.14	202.22					
2022	2014	209.45	201.14	202.22					
2022	2014	208.45	200.14	202.22					
2022	2014	207.45	199.14	202.22					
2022	2014	206.45	197.84	202.22					
2022	2014	205.45	196.54	202.22					
2022	2014	204.45	195.24	202.22					
2022	2014	203.45	193.94	202.22					
2022	2014	202.45	192.64	202.22					
2022	2014	201.45	191.34	202.22					
2022	2014	200.45	189.24	202.22					
2022	2014	199.45	187.94	202.22					
2022	2014	198.45	186.64	202.22					
2022	2014	197.45	185.34	202.22					
2022	2014	196.45	184.04	202.22					
2022	2014	195.45	182.74	202.22					
2022	2014	194.45	181.44	202.22					
2022	2014	193.45	180.14	202.22					
2022	2014	192.45	178.84	202.22					
2022	2014	191.45	177.54	202.22					
2022	2014	190.45	176.24	202.22					
2022	2014	189.45	174.94	202.22					
2022	2014	188.45	173.64	202.22					
2022	2014	187.45	172.34	202.22					
2022	2014	186.45	171.04	202.22					
2022	2014	185.45	169.74	202.22					
2022	2014	184.45	168.44	202.22					
2022	2014	183.45	167.14	202.22					
2022	2014	182.45	165.84	202.22					
2022	2014	181.45	164.54	202.22					
2022	2014	180.45	163.24	202.22					
2022	2014	179.45	161.94	202.22					
2022	2014	178.45	160.64	202.22					
2022									

BUSINESS ROUNDUP

Egyptians Buy Control of Harrods

By Our Staff From Despatches

LONDON — The al-Fayed family of Egypt on Monday raised its stake in House of Fraser PLC, the company that owns Harrods, a British department store, to controlling 51 percent, a statement from the family's merchant bankers said.

The al-Fayed purchased 20.9 million additional shares of Fraser

at 403.5 (\$4.30) pence each, the statement said. The purchase, which brought their total holdings of Fraser to 78.4 million shares, is conditional upon government approval.

The announcement came several hours after the Lonrho mining and ranching conglomerate said it had sold nearly all its 6.3-percent stake in Fraser but still hoped to take

Coleco Cites Adam Computer Quarterly, Yearly Losses

The Associated Press

EST HARTFORD, Connecticut — Hurt by its withdrawal of the home computer from the market, Coleco Industries reported today a \$393.2-million loss for the fourth quarter of 1984, compared to a \$35-million loss in the 1983 period.

Coleco, which also makes Cab-a-Patch dolls, lost \$79.8 million

for all of 1984 compared with a \$7.4-million loss for 1983, the company's president, Arnold Greenberg, said in a letter to stockholders.

Last year's operating profit of \$208.6 million from the company's toy segment was more than offset by the combination of a \$140-million operating loss in the consumer electronics segment and a \$118.6-million loss associated with the Adam computer system, Mr. Greenberg said.

Revenue for the three months ended Dec. 31 was \$240.9 million, up 37.3 percent from \$175.5 million in the 1983 quarter. Revenue for the full year rose 29.9 percent, to \$774.9 million, from \$596.5 million in 1983.

The 1984 loss cut the company's working capital by \$26.5 million to \$81.3 million, and net worth has declined to \$10.5 million, Mr. Greenberg said.

Bank debt was reduced by \$60 million during 1984 to \$106 million, and has been further reduced by \$20 million since the beginning of 1985, Mr. Greenberg noted.

The strong 1984 performance of the company's toy segment was due primarily to the success of its Cab-a-Patch Kids line. Sales for the line exceeded \$540 million.

Philips Plans to Restructure Business Lines

The Associated Press

AMSTERDAM — N.V. Philips will reorganize two business lines that have shown disappointing profit growth, the company said Monday.

Philips said it was setting aside at least \$75 million Dutch guilders (about \$190 million) to overhaul its audio-visual products operations and its domestic-appliance business.

Last year, Philips' worldwide operations earned 1.11 billion guilders on sales of \$3.8 billion.

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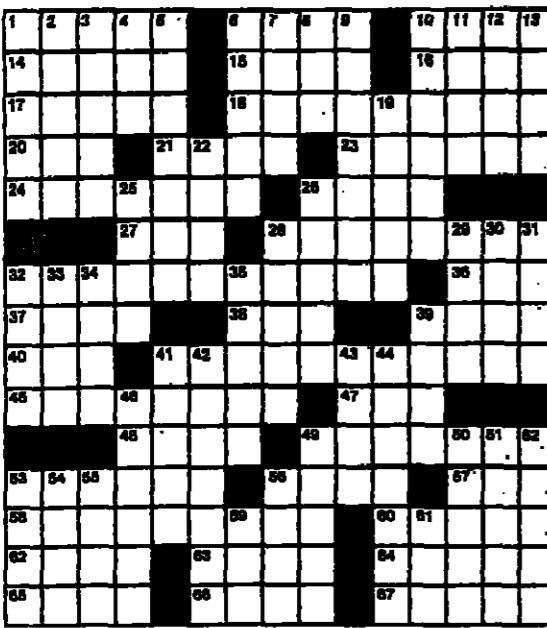
Quotations Supplied by Funds Listed

11 March 1985

*Net asset value quotations shown below are supplied by the Funds listed with the caption of some funds whose quotes are based on issue prices. The following marginal symbols indicate frequency of quotations supplied for the IHT:

(d) - daily; (w) - weekly; (m) - bi-monthly; (r) - monthly; (i) - irregularly.

N.V. MANAGEMENT



ACROSS

- 1 Sea dogs
- 2 Excursion
- 3 Distinctive time periods
- 4 (lovingly): Mus.
- 5 Aborigine in Japan
- 6 Poet Ogden
- 7 Rabbit
- 8 "Decameron" author
- 9 Simmer time in Sedan
- 10 Stream sediment
- 11 Was overly sweet
- 12 ICBM or SAM
- 13 Anazias, e.g.
- 14 Kind of pad
- 15 Element carbon, e.g.
- 16 Empty boasting
- 17 Robin Hood's drink
- 18 Be deserving of
- 19 Señora Perón
- 20 Historic town, NW of Moscow
- 21 Make do, with "our"
- 22 Vatican legate
- 23 Married
- 24 Shot tosses
- 25 Essay
- 26 British martyr-saint

DOWN

- 1 Ore's capital
- 2 Fine violin
- 3 Easy pace
- 4 Three: Prefix
- 5 Having awareness of
- 6 Postpone
- 7 Very funny fellow
- 8 It often follows Co.
- 9 "Tosca" composer
- 10 Bis
- 11 Risqué
- 12 Name on a French map
- 13 Did a farmer's job
- 14 Where Crockett fell
- 15 Harris'— Rabbit
- 16 Norwegian violinist Bull
- 17 Tchaikovsky's "italien"
- 18 Herbert Hoover, for one
- 19 Symbol of early March
- 20 Charged particles
- 21 Upright leaf cutters
- 22 Leaf cutters
- 23 Former Venetian magistrate
- 24 Challenges
- 25 Vestige
- 26 Kind of train
- 27 Variable stars
- 28 Chalky silicate
- 29 Others, to Ovid
- 30 Open-mesh fabric
- 31 Paging signal
- 32 Do an autumnal job
- 33 Neighborhood
- 34 Govt. divisions
- 35 Patella site
- 36 King of Greece: 1947-64
- 37 Leaf cutters
- 38 Former
- 39 Leaf cutters
- 40 Leaf cutters
- 41 Leaf cutters
- 42 Leaf cutters
- 43 Leaf cutters
- 44 Leaf cutters
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DENNIS THE MENACE

"THAT ISN'T A COMIC BOOK THEY'RE LAUGHING AT, IT'S OUR WEDDING ALBUM!"

JUMBLE THAT SCRABLED WORD GAME by Henri Arnold and Bob Lee.

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

MYHRE



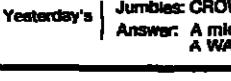
CRIHB



ATTREY



RUVESS



Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

Print answer here:

(Answers tomorrow)

Yesterday's Jumble: CROWN STAIID GIBLET MALTERED Answer: A middle-age spread is simply this—A WAIST OF TIME

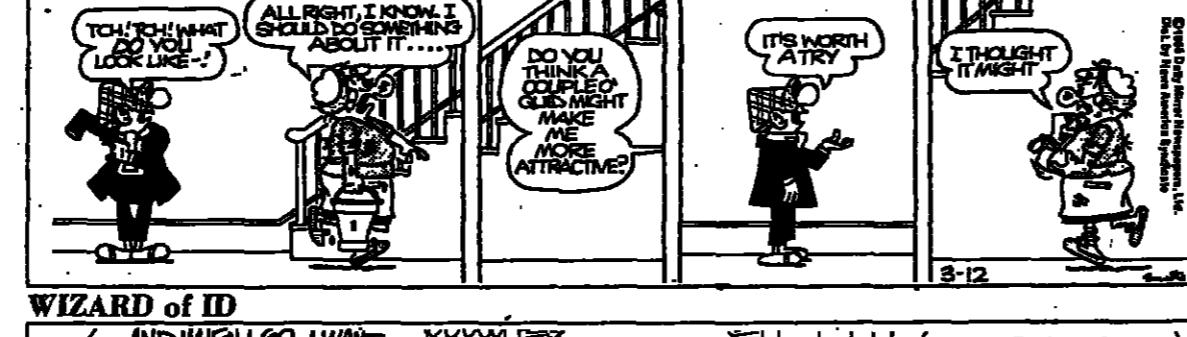
WEATHER**EUROPE****ASIA****AFRICA****LATIN AMERICA****NORTH AMERICA****MIDDLE EAST****OCEANIA****TUESDAYS FORECAST****PEANUTS**

HERE'S A CUTE SWEATER, MARCIE... IT HAS LITTLE SHEEP'S ALL OVER IT.... YOU SHOULD BUY IT...

I WONDER IF THEY'RE REALLY SHEEP...

MA'M, HOW DO I KNOW THA' THESE AREN'T WOLVES IN SHEEP'S CLOTHING?

YOU'RE A SMART SHOPPER, MARCIE

BLONDIE**BEETLE BAILEY****ANDY CAPP****WIZARD of ID****GARFIELD****World Stock Markets**

Via Agence France-Presse March 11

Closing prices in local currencies unless otherwise indicated.

Amsterdam**Class Prev.****Class Prev.</**

SPORTS

irardelli, iehl Take up Races

uled by Our Staff From Dispatches

JEN, Colorado — Luxem-
g's Marc Girardelli skied a
y flawless second run Sunday
in his fourth giant slalom of the
on the World Cup circuit.
ardelli, 21, edged Swedish
n Ingemar Stenmark and
ic champion Max Julen of
erland. The victory clinched

WORLD CUP SKIING

985 giant slalom title for Gir-
elli and also put him all but out
ach in the overall standings.
eanwhile, in Banff, Alberta,
erman Marina Kiehl won
second super-giant slalom in a
The 20-year-old's fourth ca-
mp victory came on a clocking
23.29 four-tenths of a second
d Swiss sensation Michael
i (1:23.70), who won the cup
ill Friday on Banff's de-
ing Great Divide course.

itzerland's Brigite Oerli-
th third in 1:24.75, and team-
Zoe Hass (1:24.75) was

h, to continue the Swiss domi-
nion of the cup circuit this year.

in 1:24.80, second-year
et Eva Twärdomen was the

of three Americans in the top
ebbie Armstrong was seventh
and Cindy Nelson fin-

10th (1:25.29). Kiehl was

the favorite going into
uper giant, a relatively new
cup even, combining the
of downhill with the tech-
ness of giant slalom. She won

in Arosa, Switzerland,

placed second and third in the

earlier super-giants. The five-

er veterans also has a giant slalom

this season.

ehl said she doesn't like down-
because of their premium on
—"I don't have a good feel
or my skin in downhill." But
super-giant? "I love this race,"

said.



Marc Girardelli in Aspen, skiing 'the way I know I can ski.'

The victory technically tied
Kiehl with Figini atop the giant
slalom standings, whose points are
based on a competitor's five best
results. Both have three golds, two
silvers and two bronzes; but Kiehl
is narrowly ahead because her
sixth-best placing was a fifth, com-
pared with an eighth for Figini.

Figini made a couple of costly
errors in the upper pool of Sunday's
1,820-meter (3,970-foot) course,
which had 37 gates. "But I have
another chance at her at Lake Placid,"
she said.

The giant slalom championship
will be decided later this month in
races at Lake Placid, New York, and
Waterloo, New Hampshire.

With Sunday's victory, Girardelli
added five points to his overall total,
giving him 252 points. His closest
pursuer, Switzerland's Firmin

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